RG 104, 8NS-104-94-077
Box 2

8NS-104-94-077, Miscellaneous
Correspondence & Memos, 1897-1994

Memoranda. 6/57 – 12/58 [folder 1 of 2]

Bullion
J + L.

78. 218. $50,036.26 363. incl 17 M oz ag gain

837 220 40,119.27 1,082

Proceeds of 25 M oz ag bars deducted

DENVER		NEW YORK		Surplus Bullion Received	NET TOTAL	
Gain	Loss	Gain	Loss		Gain	Loss
	1814 (1872)	209		4372476	clear 15 M oz gain 1408	150
116		417		5537111	378 clear 25 M oz ag gain	
	152* Feb 25 Jumbo 135340	245		9867229	275 clear 55 M oz ag gain	
75		38		1786770	247 water 10,262.87 ag deducted	
107		1323		5271764	1156 " 20,906.37 ag	
105		507		6160970	1077 " 8,357.66 "	"
245		811		3365507	1163 " 20,195.70 "	"
49		1026		5836614	1281 " 7,074.54 ag	"
284		275			682	
	(1750**	736			1539	
	(	301			1454	
212		368			1407	
673		610			2096	
370		1061			6402	
564		2335			5962	
590		1262			2438	
360		1568			4040	
308		2163			5593	
437		668			3590	
1812	(sweeps from dismantling)	2517			7940	
146		641			3395	
155		332			2136	195
160		2484			3866	
168		112			1575	
7		1267			3286	
12		737			2559	
130		300			1323	
95		189			268	
130		485			1682	
116		254			855	
398		13			204	
37		249			689	
65		1469			2049	
47		783			1040	
139		461			1210	
206			455			90
	286	38			462	
	195	904			1345	
56		258			1774	
8374	4197 (4255)	29416	455		78438	1498
9289		29854			79853	

9,289 F. oz — 1966 F. oz From Operations

$325,115.00 — $68,810.

GOLD OPERATING GAINS AND LOSSES

1957 33.
1956 5. — No Refinery

32.
19

Net Mint Service Gold Gains (F.ozs)

Fiscal	PHILADELPHIA Gain	PHILADELPHIA Loss	SAN FRANCISCO Gain	SAN FRANCISCO Loss
1955	37		159	
1954	64			219
1953	72		110	
1952	146			12
1951		11		263
1950	25		440	
1949	55		52	
1948	6		218	
1947	52		71	
1946	131		2422	
1945	80		1073	
1944	88		739	
1943	190		623	
1942	147		4824	
1941	125		2938	
1940	273		313	
1939	271		1841	
1938	497		2625	
1937	1146		1339	
1936	2144		1466	
1935	745		1863	
1934	820		634	
1933	341		881	
1932		214	1509	
1931	1102		910	
1930	807		1003	
1929	151		742	
1928		636	620	
1927	292		775	
1926	264		221	
1925		522	315	
1924		205	608	
1923		58	573	
1922		16	226	
1921	236		374	
1920	78		81	
1919	309		401	
1918	261		375	
1917	1080		380	
1917 thru 1955	12035	1662	33744	494
1917 " 1957	12073		33795	

*Actually a gain of 228, based on an error of 380 oz. 380 minus 152 equals 228.

**Gain applied against San Francisco shipments shortages.

MMR

July 31, 1957

Analysis of deposits delivered by Cash & Deposits Division
to Melting & Refining Division - F. Year 1957
(Showing Gains)

Number of deposits received - - - - - - - - - - - - - - 992

Swing allowed per weight (1/100th oz. each) - - - 9.92 ounces

Less allowance for less than 1/100th occasionally - .92 "

Approximate swing allowance 9.00 ounces

(Total fine ounces in above deposits - gold - 717,113.641)

* *

Fine gold purchased at 1/4 fineness reported, but reported to 1/10th by Assayer on fine gold.

This gold delivered theoretically to M&R and returned to Cash & Deposits division, less fractional bar retained by M & R.

Delivered to M & R as purchased, but returned by fine assay:

Gains (gross) 1/10th over 1/4 - - - - - - - - - - - - - - 47.506 ounces

Losses sustained due to drops below 1/4 - - - - - - - 1.089 ounces

Net gains received by M & R - - - - - - - - - - - - - - 46.417 ounces (by actual (computation

* (Gain is estimated as 44.079 in M+R explanation of surplus at 1957 settlement)

(Total fine ounces in above fine bar deposits - gold - 541,590.822)

* *

Gains on regular deposits - - - - - - - - - - - - - - 9.00 (approx.)
" " fine bar deposits- - - - - - - - - - - - - 46.417(actual)

Total gains received by M & R (all deposits) - 55.417 ounces

55
61
39
155

* M+R also had a surplus of 38.813 fine ounces of gold resulting from Cottrell recovery on deposit operations.

Mr. Merrill points out that proportionate Cashier assay gain would be realized on unrefined gold. This would produce an additional amount of approximately 61 ounces.

Deposit Grains

2/25/58

DEPOSIT GRAINS

1957-8	Wt. A.M.	Gold F. Oz	Silver F. Oz	Loss Gold	Loss Silver
July-Bk	129.54	79.289	19.92		
Bar	111.06	53.419	12.88	-25.870	-7.04
Aug-Book	71.47	53.407	6.44		
Bar	85.68	54.387	7.45	-1.020	+1.01
Sept-Book	73.94	45.356	11.01		
Bar	109.55	44.587	14.95	-.769	+3.94
Oct-Book	58.53	34.009	7.91		
Bar	87.57	30.364	7.53	-3.645	-.38
Nov-Book	63.57	31.312	12.97		
Bar	109.79	31.180	13.01	-.132	+.04
Dec-Book	46.91	22.869	11.13	-	
Bar	76.90	20.974	10.80	-1.895	-.33
Jan-Book	114.04	65.215	15.36		
Bar	115.71	53.515	13.13	-11.700	-2.23
				-45.031	-4.99
		281½	233		
Feb-Book	39.83				
Bar	121.40				
(B.M. 123.47)					

F.

Yearly Loss or Gain

Sampler

	an	ag	Yearly Gain or Loss on Sampler
1957	+.669	−42.74	
1956	+.393	+2.39	
1955	+.261	−8.43	

Fiscal

Yearly Loss or Gain Grains

Fiscal End Jan	Au	Ag	Yearly Loss or Gain on Grains
1957	-11.217	-4.248 +8.99	25.16
1956	+13.485	+4.175 -7.39	- 3.46
1955	+5.817	+12.249 +4.34	+ 6.18
4		+ 9.00	
3		+ 1.3	
~		+ 13	+ 31
1		+ 28	
1950			
49		+ 6	
48		+ 43	
1947		+ 45	
1946		+ 25	

	Gross	Gold	Silver
July	+ 8.58	+ .706	+ 5.14
Aug	- .92	- 1.480	+ .38
Sept	+ 1.70	- 2.168	+ 3.03
Oct	+ 2.84	- 1.764	- .18
Nov	+ 1.39	- 4.503	+ .06
Dec	- 1.96	- 3.344	- .32
Jan	+ 8.88	+ 1.286	+ 1.28
Feb	+ 9.18	- .958	+ 1.47
Mar	+ 7.48	+ .976	+ 1.51
Apr.	+ 28.95	+ 9.630	+ 7.80
May	+ 5.72	- 5.887	+ .67
June	+ 25.38	+ 3.208	+ 4.72
		- 4.248	+ 25.16

F. 1956.

		Fiscal 1958 Gross	Gross	Gold	Silver
1957					
July	Short Gross	- 19.45	- .95 = - 18.48	- 25.870	- 7.04
Aug	Over on Gross		= + 14.20	- 1.020	+ 1.01
Sept	" " "		+ 35.61	- .769	+ 3.94
Oct	" " "		+ 29.05	- 3.645	- .38
Nov.	" " "		+ 46.22	- .132	+ .04
Dec	" " "		+ 29.99	- 1.895	- .33
1958 Jan	" " "		+ 1.67	- 11.700	- 2.23
				- 45.031	- 4.99

76.972.975

A.M. wt - Jan. 1958 = .76151

101,078.96 .

= 114.04

Deposits - 495 ✓ 509 - ✓ 525
527 - 632, 634 - 646

137 Deposits
140 Assays

17
106
13
137

B.M.

Wt. from Bk 114.03 ✓ 119.36

Extra grains 1.56 115.59

Excess Weight W/O Extra Grains — 3.77

A.M.

All 462 Yr Ag 113½ (Bars 4+4) 115.71

For Au ✓3.5✓1✓

Ag 13.13

A.M. Weight 500 2/114.03
57.01

July 1957

Assay

97.07 oz. Low 46.909 f. ozs.
32.47 " High 32.380 " "
129.54 79.289

Deposits - 495 [illegible] 09 - 525
527-632, 634-646

137 Deposits
140 Assays

B.M.
Wt. from Bk 114.03 ✓ 119.36
Extra grains 1.56 115.59

Excess Weight W/O Extra Grains — 3.77

A.M.
au 462 ½ ag 113½ (Bars 4+4) 115.71

F.S. Au ✓3 ✓1 ✓
Ag 13 13

A.M. Weight 500 2 | 114.03
57.01

July 1957

Assay

97.07 oz. Low 46.909 f. ozs.
32.47 " High 32.380 " "
129.54 79.289

U. S. Mint Service.
Form 697.
Ed. 1,000—F. C., Nov. 10-11,
5¼ x 8.

ORDERS FOR SILVER AND MINOR COINS.

Mint of the United States at Philadelphia,

SUPERINTENDENT'S OFFICE.

.....

.....

.....

.....

Sir:

Inclosed herewith I return your draft No. .....

on the .....

for $ .....

This Mint can ship coin ONLY on official order from the Treasurer U. S., or one of the Assistant Treasurers U. S.

All drafts accompanying orders for silver or minor coin should be made payable at Washington or New York. Drafts payable at Washington should be drawn to the order of the "Treasurer U. S.," and mailed direct to him at Washington, D. C. Drafts payable in New York should be drawn to the order of the "Assistant Treasurer U. S., New York," and sent direct to that officer.

Orders for NEW COIN should be sent to the Treasurer U. S., stating willingness to pay cost of delivery. The coin will be shipped at the expense of the consignee.

Respectfully,

.....

Superintendent.

F. 1957

		Gross	Gold	Silver
1957	Fiscal 1958	Gross	gold	Silver
July -	Short Gross - 19.43 - .95 =	- 18.48	- 25.870	- 7.04
Aug -	Over on Gross	= + 14.20	- 1.020	+ 1.01
Sept -	" " "	+ 35.61	- .769	+ 3.94
Oct -	" " "	+ 29.04	- 3.645	- .38
Nov. -	" " "	+ 46.22	- .132	+ .04
Dec -	" " "	+ 29.99	- 1.895	- .33
1958 Jan -	" " "	+ 1.67	- 11.700	- 2.23
			- 45.031	- 4.99

76,972.975

A.M. wt - Jan. 1958 = .76151

101,078.96 .

114.04 =

F. 1907

	Gross	Gold	Silver
July	+8.58	+.706	+5.14
Aug	-.92	-1.480	+.38
Sept	+1.70	-2.168	+3.03
Oct	+2.84	-1.764	-.58
Nov	+1.39	-4.503	+.06
Dec	-1.96	-3.344	-.32
Jan	+8.88	+1.286	+1.28
Feb	+9.18	-.958	+1.47
Mar	+7.48	+.976	+1.51
Apr.	+28.95	+9.630	+7.80
May	+5.72	-5.887	+.67
June	+25.38	+3.208	+4.72
		-4.248	+25.16

Fiscal Yearly Loss or Gain on Grains

Fiscal End Jan	Au	Ag	Yearly Loss or Gain on Grains
1957	-11.219	- 4.248	+6.99 25.16
1956	+13.485	+ 4.175	-7.39 - 3.46
1955	+5.819	+12.249	+4.34 + 6.18
4		+ 9.0	
3		+ 1.3	
~		+ 13	+ 38
1		+ 28	
1950			
49		+ 64	
48		+ 43	
1947		+ 45	
1946.		+ 25.	

F1

Yearly Loss or Gain

Sangster

	au	ag	Yearly Gain or Loss on Sangster
1957	+.669	−42.74	
1956	+.393	+2.39	
1955	+.261	−8.43	

Deposit Grains

2/25/58

	Wt. A.M.	Deposit Grains Gold F. Ozs	Silver F. Ozs	Loss Gold	Loss Silver
1957-8					
July-Bk-	129.54	79.289	19.92		
Bar-	111.06	53.419	12.88	-25.870	-7.04
Aug:- Book	71.47	53.407	6.44		
Bar-	85.68	52.387	7.45	-1.020	+1.01
Sept- Book	73.94	45.356	11.01		
Bar-	109.55	44.587	14.95	-.769	+3.94
Oct Book	58.53	34.009	7.91		
Bar	87.57	30.364	7.53	-3.645	-.38
Nov- Book	63.57	31.312	12.97		
Bar	109.79	31.180	13.01	-.132	+.04
Dec- Book	46.91	22.869	11.13	-	
Bar	76.90	20.974	10.80	-1.895	-.33
Jan- Book	114.04	65.215	15.36		
Bar-	115.71	53.515	13.13	-11.700	-2.23
				-45.031	-4.99

281½ 233

Feb- Book 39.83

Bar 121.40

(B.M. 123.47)

DEPOSIT GRAINS (Differences Fiscal Year 1958)

	Month	A.M.Weight	Fine Ounces Gold		Silver	Loss or Gain Gold	Silver	
1957	July	(Bk) 129.54	79.289	M&R	19.92			(Error in cut-off
		(Bar) 111.06	53.419		12.88	- 25.870	- 7.04	(number. Added
								(to Aug. grains.
	Aug.	(Bk) 71.47	53.407	M&R	6.44			
		(Bar) 85.68	52.387		7.45	- 1.020	+ 1.01	
	Sept.	(Bk) 73.94	45.356	M&R	11.01			
		(Bar) 109.55	44.587		14.95	- .769	+ 3.94	
	Oct.	(Bk) 58.53	34.009	M&R	7.91			
		(Bar) 87.57	30.364		7.53	- 3.645	- .38	
	Nov.	(Bk) 63.57	31.312	M&R	12.97			
		(Bar) 109.79	31.180		13.01	- .132	+ .04	
	Dec.	(Bk) 46.91	22.869	M&R	11.13			
		(Bar) 76.90	20.974		10.80	- 1.895	- .33	
1958-	Jan.	(Bk) 114.04	65.215	M&R	15.36			
		(Bar) 115.71	53.515		13.13	- 11.700	- 2.23	
						- 45.031	- 4.99	
		Net Difference						
	Feb.	(Bk) 46.49	20.458	M&R	12.36			
		(Bar) 123.47 BM. 121.40 A.M.	34.174		28.28	+ 13.716	+ 15.92	(*) 6.25 oz.sil. Gr. Chr.Mut. Sil. omitted, to be inc.March.
		Net Difference				- 31.315	+ 10.93	

In Bk #8 – 2/24/58

Book BM 46.49.

BM	A.M.	Fineness au	Fineness ag	Content au	Content ag
123.47	121.40	—	281½ – 233	34.174	28.28

A.M.

Dec. K Gr #1 20.69 / 61.60 329¼ (ag 355½) au Fine — 6.812 oz au — 34.174

" K Gr #2 153¾ " — 9.471 " — 16.283

16283 net oz au

87.29

Golden Content per mt R calculations — au — 20.458

Total - Deposit grains & K grains — 34.174

K grains alone — 16,283

Deposit grains only — 17.891

Difference in Deposit grains only — – 2.567

MAR 3 - 1958

Memo. on Gains to M & R for FEBRUARY - 1958

SWING on deposits:	Ounces
Total mass weights of deposits (weighed before delivery to M & R)	31,023.86
Ounces receipted for by M & R per Transfer Memos.	31,022.45
Gain in swings	1.41

107 deposits received, or an average swing of .013 per deposit

HOMESTAKE FINE GOLD:	Minus
Fine bars retained by Cashier, receipted for to M & R (Reported to 1/10 fine)	38,390.191-Frac.Bars
Same gold purchased from Homestake to 1/4 fine	38,386.703
Gain to M & R in fine ounces	3.488

A.L.P.

March 28, 1958

SUMMARY OF DEPOSIT GRAINS FOR MARCH 1958 - Grains Bar #9

	Gold Oz.	Silver Oz.
Calculations of grains by Cash & Deposit Div. on deposits for March - - - - - - - - - - - - -	11.414	7.85
Plus Coin deposit (C-12) - - - - - - - - - - - - -	7.812	-
(*) Total Gold & Sil. content due from Grains	19.256	7.85

Materials included in Grains Bar, as calculated on individual assay reports:

	Bar Wt. (oz.)	Fineness Gold	Fineness Sil.	Content Gold	Content Silver
Chr. Exp. Gr. Bar #1	2.42	962¾	017½	2.329	.04
" " " " #2	39.02	440	329½	17.168	12.85
From actual deposits	41.44			19.497	12.89
K-Bar #2	71.82	107	243	7.684	17.45
K-Bar #3	44.69	152½	144	6.815	6.43
Gross Wt. of all above	157.95			33.996	36.77

Actual computation of Grains Bar #9, after melting all of above:

Bar Weight	157.81	217½	237	34.323	37.40
(*) Needed (as computed) (by M & R)				19.242	7.96
March surplus -				15.081	29.44

Differences in Grains Bars remaining at end of Feb.	- 31.315	+ 10.93
Less March Gain	+ 15.081	+ 29.44
Net difference since 7/1/57	- 16.234	+ 40.37

A.L.Philippus,
Cashier

April Grains Bar #10 - (1958)

Preliminary Assays:	Wt.	Fineness Gold	Fineness Sil.	Content Gold	Content Silver
Exp. #4 - Homestake -	3.60	986 3/4	0	3.552	0
" #5 Misc. -	18.04	486	170 1/2	8.767	3.07
K-Gr.#4	63.94	251	163	16.048	10.42
" #5	37.94	273 3/4	198 1/2	10.396	7.53
	123.52			38.753	21.02
Actual Final Bar #10	121.06	314 3/4	172 1/2	38.103	20.88
Needed (per book)				12.182	3.48
Surplus recovery				+ 25.921	+17.40
Differences March 30				- 16.234	+ 40.37
Plus recoveries for April				+ 25.921	+ 17.40
Surplus, end of April 1958				+ 9.687	+ 57.77

A. L. Philippus,
Cashier

May Grains Bar #11 -(1958)

Preliminary Assays:	Wt.	Fineness Gold	Fineness Silver	Content Gold	Content Silver
Exp.#6 - Homestake	8.36	982½	011½	8.203	.09
" #7 Misc.	50.43	241½	478	12.335	24.41
K-6	20.14	415¼	105½	8.363	2.12
				28.901	26.62
Actual Final Bar #11	78.67	361½	336½	28.330	26.37
Needed - per M & R				20.954	24.86
Surplus recovery				+ 7.376	+ 1.51
Surplus to April 30				9.687	57.77
				17.063	59.28
(Actual surplus per M & R books ½ (To May 31, 1958				+ 16.827	+ 58.97

A. L.Philippus,
Cashier

Grains Bar #12 - June 1958

	Weight Per Book	Actual Weight	
Homestake grains	2.78	3.03	3.03
Regular Grains	19.13	19.50	19.50
Misc. "		.93	.93
	21.91		23.46

(3.038.982)

Gold and Silver content:	Gold	Silver
Exp. #8 - Homestake	2.970	
" #9 - Regular	7.422	8.48
	10.392	8.48
Actual Gold and Silver content Grains Bar #12 (final)	10.238	8.55
	-1.54	
Needed, per M & R	9.318	8.37
Surplus recovery	.920	.18
Previous surplus per M & R	16.827	58.97
June surplus " "	.920	.18
Total surplus for F.Year	♦ 17.747	♦ 59.15

A. L. Philippus,
Cashier

Gains accruing to the Melting & Refining Division
on Homestake fine bars
July 1, 1957 thru March 31, 1958 period

Resulting from purchase of gold to the 1/4 and
retention by Cash & Deposits Division to the 1/10th

Bars retained by Cash & Dep. Div.		
Gross gains - - - - - - -	28.029 oz.	
" losses- - - - - - -	.695	
Net gain	27.334 oz.	27.334
Fraction bars to M & R Div.		
Gross gains - - - - - - -	1.884 oz.	
" losses- - - - - - -	.029	
Net gain	1.855 oz.	1.855
Total net gain on Homestake gold to M & R		29.189 fine oz.

A. L. Philippus,
Cashier

After-melting Mass Weights against Before-melting Mass Weights.

Melt #	Book Bar Weights	Total A.M. Mass Wts. (Inc. Samples)	Loss over Book Wts.	Total Losses	Poured in
1	8,493.74	8,476.81	16.93		400-oz molds
2	8,244.46	8,214.55	29.91		"
3	7,994.08	7,965.14	28.94		"
4	8,156.88	8,146.85	10.03		"
5	8,131.36	8,124.98	6.38		1000-oz.molds
6	8,233.91	8,230.14	3.77		"
7	7,962.08	7,954.59	7.49		"
8	8,253.95	8,250.32	3.63		"
9	8,129.81	8,121.66	8.15		"
10	8,075.78	8,069.64	6.14		"
11	8,268.79	8,263.49	5.30		"
12	8,255.34	8,250.44	4.90		"
13	8,078.10	8,072.75	5.35		"
14	8,202.66	8,196.44	6.22		"
15	8,331.49	8,323.77	7.72		"
16	8,112.91	8,108.44	4.47		"
17	7,502.06	7,491.42	10.64		"
	138,427.40	138,261.43	165.97		
17-A Clean-up bar			- 144.93		
Net melting loss			21.04	21.04	
18	8,114.23	8,107.71	6.52		
19	7,924.93	7,913.38	11.55		
20	7,696.71	7,688.95	7.76		
21	7,832.94	7,825.05	7.89		
22	8,354.03	8,343.14	10.89		
	39,922.84	39,878.23	44.61		
22-A Clean-up bar			- 33.69		
Net melting loss			10.92	10.92	
23	7,964.29	7,948.13	16.16		
24	7,543.66	7,516.89	26.77		
25	7,462.72	7,449.19	13.53		
	22,970.67	22,914.21	56.46		
25-A Clean-up bar			- 36.31		
Net melting loss			20.15	20.15	
26	8,309.44	8,299.44	10.00		
27	8,117.82	8,107.10	10.72		
28	8,093.84	8,082.26	11.58		
	24,521.10	24,488.80	32.30		
28-A Clean-up bar			- 16.51		
Net melting loss			15.79	15.79	

Melt #	Book Bar Weights	Total A.M. Mass Wts. (Inc.Samples)	Loss on Book Wts.	Total Losses
29	8,010.14	7,987.33	22.81	
29-A Clean-up bar			- 10.20	
Net melting loss			12.61	12.61
30	4,070.85	4,029.01	41.84	
30-A Cleanup bar			- 39.23	
Net melting loss			2.61	2.61
31	8,096.42	8,082.20	14.22	
32	4,212.11	4,206.61	5.50	
	12,308.53	12,288.81	19.72	
32-A Clean-up bar			- 11.33	
Net melting loss			8.39	8.39
33	7,012.05	6,993.73	18.32	
33-A Clean-up bar			- 9.66	
Net melting loss			8.66	8.66
34	1,793.44	1,791.81	1.63	
34-A Clean-up bar			- 1.12	
Net melting loss			.51	
35	553.93	552.91	1.02	
35-A Clean-up bar			1.60	
Net melting GAIN			(plus) + .58	.58
36 Final Cleanup bar GAIN			(plus)+ 17.99	17.99
	259,590.95	259,186.27		100.68-18.57

Less 18.57

Net 82.11

Total losses 404.68

Less Clean-ups 322.57

Total melt losses 82.11 oz.

A. L. Philippus,
Cashier

Recapitulation of Mass Melt Weighings
April - 1958

4/1	Melts	#1 - 6 -	79 assays - - - - - - -	Gains 1.18 ounces	
4/2	"	7 - 10	44 "	" .91 "	(.91)
4/3	"	11 - 17	91 "	" 1.71 "	
4/4	"	18 - 22	37 "	" .98 "	
4/7	"	23 - 25	21 "	" .51 "	
4/8	"	26 - 29	158 "	" 1.69 "	
4/8	"	30 - 35	401 "	" 3.98 "	
			831 assays	Gains 10.96 ounces	

Average gain per assay - - - .0132 ounce.

A. L. Philippus,
Cashier

Weighings of Mass Melts - - - - April 1, 1958

Melts Nos. 1 thru 6

	OUNCES	
Mass Melt #1 - 13 assays - - -	8,493.93 mass weight	
Calc. 408.2	8,493.74 book bar weight	
	+ .19 gain	.19
Mass Melt #2 - 14 assays - - -	8,244.63 mass weight	
Calc 416.5	8,244.46 book bar weight	
	+ .17 gain	.17
Mass Melt #3 - 13 assays - - -	7,994.28 mass weight	
Calc 418.1	7,994.08 book bar weight	
	+ .20 gain	.20
Mass Melt #4 - 13 assays - - -	8,157.06 mass weight	
Calc 416.2	8,156.88 book bar weight	
	+ .18 gain	.18
Mass Melt #5 - 14 assays - - -	8,131.56 mass weight	
Calc. 423.8	8,131.36 book bar weight	
	+ .20 gain	.20
Mass Melt #6 - 12 assays - - -	8,234.15 mass weight	
Calc 412.3 79 "	8,233.91 book bar weight	
	+ .24 gain	.24
Total gains in weight (mass weights over book weights-bars)		1.18 oz.

A. L. Philippus,
Cashier

Weighings of Mass Melts - - - April 2, 1958

Melts Nos. 7 thru 10

	OUNCES	
Mass Melt #7 - 9 assays - - -	7,962.30 mass weight	
Calc. 408.4	7,962.08 book bar weight	
	+ .22 gain	.22
Mass Melt #8 -12 assays - - -	8,254.18 mass weight	
Calc. 415.4	8,253.95 book bar weight	
	+ .23 gain	.23
Mass Melt #9 -10 assays - - -	8,130.04 mass weight	
Calc 409.9	8,129.81 book bar weight	
	+ .23 gain	.23
Mass Melt #10- 13 assays - - -	8,076.01 mass weight	
Calc. 417.2 (44 assays)	8,075.78 book bar weight	
	+ .23	.23
Total gains in weight (mass over book weights)		.91 oz.

John Morr, weighing.

Above melts placed under seal in "P" vault.
To be melted 4/3

A. L. Philippus,
Cashier

Weighings of Mass Melts - - - April 3, 1958 - (Josten's)

Melts Nos. 11 thru 17

	OUNCES		
Mass Melt #11 - 12 assays - - -	8,269.04	mass weight	
	8,268.79	book bar weight	
	+ .25	gain	.25
Mass Melt #12 - 13 assays - - -	8,255.59	mass weight	
	8,255.34	book bar weight	
	+ .25	gain	.25
Mass Melt #13 - 15 assays - - -	8,078.35	mass weight	
	8,078.10	book bar weight	
	+ .25	gain	.25
Mass Melt #14 - 12 assays - - -	8,202.88	mass weight	
	8,202.66	book bar weight	
	+ .22	gain	.22
Mass Melt #15 - 12 assays - - -	8,331.74	mass weight	
	8,331.49	book bar weight	
	+ .25	gain	.25
Mass Melt #16 - 12 assays - - -	8,113.16	mass weight	
	8,112.91	book bar weight	
	+ .25	gain	.25
Mass Melt #17 - 15 assays - - -	7,502.30	mass weight	
	7,502.06	book bar weight	
	+ .24	gain	.24
			1.71 oz.

91

Total gains in weight (mass over book weights)

John Morr, weighing

Sealed in "P" vault.

A. L. Philippus,
Cashier

Weighings of Mass Melts - April 4, 1958 (Golden Cycle)

Melts Nos. 18 thru 22

	OUNCES		
Mass Melt #18 - 7 assays - - - - -	8,114.43	mass weight	
	8,114.23	book bar weight	
	+ .20	gain	.20
Mass Melt #19 - 8 assays - - -	7,925.10	mass weight	
	7,924.93	book bar weight	
	+ .17	gain	.17
Mass Melt #20 - 7 assays - - -	7,696.90	mass weight	
	7,696.71	book bar weight	
	+ .18	gain	.18
Mass Melt #21 - 7 assays - - -	7,833.14	mass weight	
	7,832.94	book bar weight	
	+ .20	gain	.20
Mass Melt #22 - 8 assays - - -	8,354.26	mass weight	
	8,354.03	book bar weight	
	+ .23	gain	.23
			.98 oz.

37

Total gains in weight (mass over book weights)

John Horr, weighing

Sealed in "P" vault.

A. L. Philippus,
Cashier

Weighings of Mass Melts - April 7, 1958 (Bald Mountain)

Melts Nos. 23 thru 25

	OUNCES		
Mass Melt #23 - 9 assays - - - -	7,964.45	mass weight	
	7,964.29	book bar weight	
	+ .16	gain	.16
Mass Melt #24 - 7 assays - - - -	7,543.83	mass weight	
	7,543.66	book bar weight	
	+ .17	gain	.17
Mass Melt #25 - 5 assays - - -	7,462.90	mass weight	
	7,462.72	book bar weight	
	+ .18	gain	.18
Total gains in weight (mass over book weights)			.51 oz.

21

John Morr, weighing

Sealed in "P" vault.

A. L. Philippus,
Cashier

Weighings of Mass Melts - April 8, 1958

Melts Nos. 26 thru 29

	OUNCES		
Mass Melt #26 - 29 assays - - - -	8,309.80	mass weight	
	8,309.44	book bar weight	
	+ .36	gain	.36
Mass Melt #27 - 49 assays - - - -	8,118.26	mass weight	
	8,117.82	book bar weight	
	+ .44	gain	.44
Mass Melt #28 - 65 assays - - - -	8,094.50	mass weight	
	8,093.84	book bar weight	
	+ .66	gain	.66
Mass Melt #29 - 15 assays - - - -	8,010.37	mass weight	
	8,010.14	book bar weight	
	+ .23	gain	.23
Total gains in weight (mass over book weights)			1.69

159

John Morr, weighing

Sealed in "P" vault.

A. L. Philippus,
Cashier

Weighings of Mass Melts - April 8, 1958

Melts Nos. 30 thru 35

	OUNCES		
Mass Melt #30 - 37 assays - - - -	4,071.20	mass weight	
	4,070.85	book bar weight	
	+ .35	gain	.35
Mass Melt #31 - 200 assays - - - -	8,098.28	mass weight	
	8,096.42	book bar weight	
	+1.86	gain	1.86
Mass Melt #32 - 73 assays - - - -	4,212.90	mass weight	
	4,212.11	book bar weight	
	+ .79	gain	.79
Mass Melt #33 - 16 assays - - - -	7,012.31	mass weight	
	7,012.05	book bar weight	
	+ .26	gain	.26
Mass Melt #34 - 29 assays - - - -	1,793.75	mass weight	
	1,793.44	book bar weight	
	+ .31	gain	.31
Mass Melt #35 - 46 assays - - - -	554.34	mass weight	
	553.93	book bar weight	
	+ .41	gain	.41
			3.98

401

Total gains in weight (mass over book weights)

Higgins, weighing

Sealed in "P" vault.

A. L. Philippus,
Cashier

Mr. Charles M. Miller, Superintendent
Melting and Refining Division
Mr. A. L. Philippus, Cashier
Mr. Cecil Gray, Acting Assayer
Marshall M. Reddish, Acting Superintendent

Joint Project for Mass Melting Bullion Deposits

A question has been raised as to the control that will be maintained over material during the mass melting experiment, including bars, kings, crucibles containing grain, etc. It has been recommended that joint custody be maintained.

May I suggest that all of you get together and devise a simple method for joint control of the bullion throughout the experiment.

Acting Superintendent

MMR:hl

March 31, 1958

Mrs. Alma K. Schneider, Superintendent
Mr. Marshall M. Reddish, Asst. Superintendent

From: A. L. Philippus, Cashier

Subject: Joint Project for Mass Melting Bullion Deposits

I have read the memorandum prepared by you regarding the above subject, and feel that it is a correct summary of the discussion which took place on March 28.

In line with the last paragraph of your memorandum, I might raise the following observations. I refer to items 8 and 12 of your memorandum, particularly the first one.

It appears that some mass melts of a particular type of material, such as Josten's, may require more than one day to complete. Even if the mass melting of any group of materials could be consummated in one day, the crucibles might be too hot to scrape and clean them, thus requiring this work to be done the following day.

In addition thereto, it is very possible that the finished melts will be too hot to weigh them immediately after completion of the day's work. These melts would then be out of the presence of the representatives of the other divisions involved, between the time of pouring and after-melting weighings.

Thus there exists the possibility of getting crucibles mixed with others, and the kings becoming mixed with the wrong melts. This raises the question of control over both crucibles and melts during these intervals.

If all operations are to be conducted in the presence of representatives of the three divisions, should not all materials and crucibles remain in joint custody of the three representatives until each operation on certain types of materials has been completed? A simple solution might be to place all these units under joint custody during the intervals mentioned.

As to crucibles to be used, will a new crucible be used for each group of mass melts so that no possible contamination will occur?

3/31/58

Mr. Gray says he thinks March 28 memo is okeh. Agrees with above suggestion for joint control.

MMR

Mr. Charles M. Miller, Superintendent
Melting and Refining Division
Mr. A. L. Philippus, Cashier
Mr. Cecil Gray, Acting Assayer
Mrs. Alma K. Schneider, Superintendent

March 28, 1958

Joint Project for Mass Melting Bullion Deposits

All three of you have agreed that the project of mass melting deposits to be started next week will be a joint one. Further, that its purpose will be to determine insofar as possible whether the gold for which depositors are paid can be recovered by the Mint or whether depositors are being overpaid.

This matter is of interest to the Assay Division and the Cash and Deposits Division since it involves a question as to the validity of their procedures.

It is understood that you have agreed upon the following:

1. That the weighing of deposits to begin the mass melting experiments will start on Tuesday, April 1.

2. That the first mass melting will be done Wednesday morning, April 2.

3. That the Melting and Refining Division will supply to the other two divisions the numbers of the bars going into each mass melt.

4. That the total before-melting weight of the deposits going into each mass melt will be verified by weighing all of the deposits in one draft.

5. That representatives of the three divisions will witness the entire melting process, together with the clean-up and recovery.

6. That representatives of the three divisions will witness and check the deposits as they go into the furnace crucible.

7. That deposits of like material (such as that received from Jostens) will be mass melted together.

8. That the most complete clean-up possible will be made after all the mass melts for any particular type of material are completed.

9. That the "King" after each mass melt will be assigned to that particular melt.

10. That the Assayer will report the assays of these mass melts both to the one-quarter and one-tenth.

11. That sufficient dip sample material will be taken from each mass melt so that half of it may be sent to the New York Assay Office for a check assay by that institution.

12. That the representatives of all three divisions will cooperate to such an extent that at the end of this mass melting experiment all divisions will be satisfied that the mass melting clean-up and recovery are done properly.

13. If, at any time, the representatives of the three divisions cannot agree on the procedures being followed, that they will obtain an administrative decision on the point in controversy before proceeding further with the experiment.

14. That every effort will be made to make the experiment a friendly, cooperative venture for the purpose of obtaining information which will be beneficial to the Denver Mint.

If any of you do not agree with the proposed procedure as described above, will you please make known your objection immediately before the experiment is started?

_____

Superintendent

April 24, 1958

CONFIDENTIAL

Mr. W. H. Brett
2601 Woodley Pl., N. W.
Apt. 1004
Washington, D. C.

Dear Mr. Brett:

I have been waiting for Mr. Miller's report before answering your letter of April 2, concerning the opening of the refinery.

Because of the grave responsibilities in connection with starting a refinery run and Charlie's past record of unfortunate refinery operations, I cannot help expressing my uneasiness in connection with the proposed reopening.

I cannot forget how narrowly we missed unfavorable publicity on several occasions in connection with him. The two shortages which mar the history of refining here happened under Charlie's management. He also headed the division when the unexplained gas poisoning of refinery employees put the incident on the front page of the newspapers. The time he permitted smoking sweeps to be placed in the alley without notifying the guards and they were mistakenly hauled away; and it was only reported by other division employees. I recall that his accounting controls were lost on the last operation when he was summoned to San Francisco to a conference and failed to have Mr. Hull continue the practice. All of this and many other lesser incidents give me grave doubts as to Charlie's abilities or his fitness to head the refinery. My concern is so great that I feel I must again tell you of it.

I suggested before that I wish Charlie could continue to produce coinage ingots, which he does well, and have someone else in charge of the refinery. Charlie has two weaknesses which off-set his technical training, both of which are particularly serious in connection with refinery responsibility. First, he apparently is unable to delegate authority, and secondly, according to Warren and others, he is lazy and sloppy. A look at his office would tend to substantiate the latter charge.

We have just completed mass melting to prevent the question arising of whether or not he received all the gold he was charged with. In this melting he has gained eleven ounces in weight which would seem

to settle the "tight weighing" issue. The Assay reports, while incomplete at this point, are showing a little gain.

But here again is an example of the sort of thing which has shattered my faith in Charlie's ability to handle gold: The melting was done by Bob Folsom, the Melting Section Foreman; Cecil Gray, representing the Assayer; and Bill Johnson, Foreman of Philippus' melting crew. On several occasions Folsom poured gold into greased molds which spattered and spilled gold on the floor. Johnson and Gray were appalled by this carelessness. Johnson pours into powdered charcoal in the molds and there is no spilling.

Since the gold recovered in the last shortage was in melted form, this latest incident makes me wonder about his melting methods.

When millions of dollars in gold is in process the responsibility is so great that a careless operator can cause tremendous loss by just one action. Constant security controls and meticulous care must be exercised 24 hours a day. I suggested to Charlie that Cecil Gray would make a good assistant for him, since Cecil is a scrupulously careful and conscientious worker, but Charlie doesn't want him. In fact, he said he wished he could have Ernest Hull back!

Some years ago when I questioned the need for Ernie, Charlie told me that Ernie, and not he, was the refinery expert.

From the 1955 Settlement report we have found eleven possible reasons for the refinery loss. Whatever is possible to be done outside of technical problems, we will do. But it is Charlie's questionable ability to run a refinery which has me worried. I feel that excuses cannot be made indefinitely for these incidents and that for everyone's peace of mind we must have experienced and qualified technical help from the beginning of the operation. I realize it may be difficult to effect any improvement because of the sacrosanctity among refinery personnel, but certainly everything possible must be done for complete control.

Sincerely,

Superintendent

AKS:ms

Calc. on 1/10	137.992 482 ✓	46 939.2
Book (Assayer)	137.952.173 ✓	46,983.8 ✓
	40,309+	- 44.49

Cashier Paid W+	137,952.273	46,983.82

Assayers Report

Mass Melts

April 30, 1958

		Gold	Silver		Gold	Silver
408.28	1	408½	126	—	408.6	126.1
416.46	2	416½	127	—	416.6	126.8
418.09	3	418	121½	—	418.2	121.5
416.31	4	416½	119	—	416.5	118.9
423.85	5	424	125	—	424.2	124.8
412.29	6	412¼	123½	—	412.3	123.4
408.39	7	408½	117	—	408.3	117.2
415.40	8	415½	118½	—	415.7	118.7
409.91	9	410	122½	—	410	122.7
417.20	10	417	126½	—	417.2	126.5
418.91	11	419¼	126	—	419.3	126.1
413.89	12	414	124	—	414.1	123.9
408.23	13	408½	127	—	408.4	127
413.72	14	413½	120	—	413.6	119.8
409.16	15	409	116	—	409.2	115.8
412.85	16	412 3/4	122	—	412.9	122.1
420.17	17	420¼	128½	—	420.3	~~129.3~~ 128.7
	17A	368½	129½	—	368.7	129.3
847.45	18	847¼	108½	—	847.4	108.3
850.83	19	851¼	110	—	851.3	110.1
860.97	20	861	107½	—	861.1	107.3
852.38	21	852 3/4	109	—	852.8	109.2
846.95	22	847	114	—	847.2	113.8
	22A	729½	161½	—	729.5	161.5
433.45	23	434	553	—	434	553
446.55	24	446 3/4	542	—	446.9	542.1
370.45	25	370 3/4	612	—	370.8	611.9
	25A	410	568½	—	410	568.7
888.88	26	889¼	101½	—	889.3	101.4
893.57	27	894¼	99½	—	894.3	99.4
882.78	28	884¼	100	—	884.3	100.1
	28A	785½	144½	—	785.5	144.5
564.01	29	566½	197	—	566.6	196.8
	29A	552¼	207½	—	552.4	207.6
538.49	30	541	229	—	541.2	229.2
	30A	529	215	—	529.1	214.9
486.55	31	487½	123	—	487.5	123.2
453.81	32	454¼	134½	—	454.3	134.4
	32A	480½	159	—	480.7	159
094.29	33	94¼	813½	—	94.4	813.6
	33A	123	743½	—	123.2	743.3
899.73	34	900¼	94	—	900.3	94.1
	34A	805½	162	—	805.6	161.9
724.70	35	725	165	—	725.1	164.9
	35A	568¼	207½	—	568.4	207.6
	36	129¼	292	—	129.4	292

Richard Merrill
Assistant Assayer

P-2

Recapitulation

Melt #	Orig. Bar weights	Mass Weight	Gain	Paid Gold Content	Paid Silver Content	A.M. Wt Gain
(Remarks)						
Clean-Up ⊗ 30	407085	407120	35	2192130	92486	40
30A						
31	809642	809828	186	3939382	97726	80
32	421211	421290	79	1911513	54861	42
Clean-Up ⊗ 32A						
33	701205	701231	26	661178	71775	699
Clean-Up ⊗ 33A						
34	179344	179375	31	1613615	16214	179
Clean-Up ⊗ 34A						
35	55393	55434	41	401496	8758	55
Clean-Up ⊗ 35A						
Final Clean Up- 36						
	2573880	2574278	398	10719266	841820	2574773

Melt #	Gold Content %	Gold Gain or Loss @ %	Mass Silver Content @ %	Silver Gain or Loss @ %	Silver Content @ %	Mass Silver Gain or Loss @ %
(Cont'd)						
	2180500	− 11630	92264	−222	92344	− 142
+ 21202	21206	+ 21.206	861	+ 8.61	861	+ 861
+ 690	3940072	+ 690	99411	+ 16.85	99572	+ 18.46
	1911062	− 451	52578	+ 17.17	52536	+ 1675
+ 5.866	5869	+ 5.869	194	194	194	+ 1.94
	660208	− 982	588939	−2836	589009	−2766
+ 1.286	1288	+ 1.288	777	+ 7.77	777	+ 7.77
	1613166	− 449	16843	+ 6.29	16860	+ 6.46
+ 902	902	+ 902	18	+ .18	18	+ .18
	400915	− 54	9123	+ 3.65	9117	+ 3.59
+ 909	909	+ 90.9	33	+ 33	33	+ 33
+ 2.325	2327	+ 2.327	525	+ 5.25	525	+ 5.25
+ 16.936	10738424	+ 19.168	84556	+ 37.46	84546	+ 40.26

Totals Cons-

P-1	Jewelers	13842739	13843120	379	5734655	1707276	138407
	S. Cyals	3992284	3992383	98	3399856	441869	39948
	Bold Sth.	2297067	2297118	51	758524	1304063	22952
	Min.	2452110	2452256	146	2178568	245476	24506
	Mercado	801014	801037	23	451784	157878	7990
P-2	Mine.	2573880	2574278	398	10719266	841820	2574773
		2595094	2596192	1098	13795273	4698382	2595526

	Gold Content %	Gold Gain or Loss @ %	Mass Silver Content @ %	Silver Gain or Loss @ %	Silver Content @ %	Mass Silver Gain or Loss @ %
	5734881	+ 2.258	1701397	− 5879	1701376	− 5900
	3399624	− 152	438673	− 3196	438425	− 3444
	958537	+ 1.113	1304998	+ 9.35	1304998	+ 9.35
+ 5.263	2179154	+ 6.486	245975	+ 4.99	245892	− + 4.16
+ 12.921	453154	+ 13.721	157572	− 306	157412	− 466
+ 16.936	10738424	+ 19.168	84556	+ 37.46	84546	+ 40.26
+ 15524	13799497	+ 41.224	4694181	− 4201	4693949	− 4433

A.L.P.

P-1

Recapitulation - April - 1958

Melt #	Bar weights	Mass weight	Grain	Paid Gold Content	Paid Silver Content	A.M. Mint Wt. Ingot Sample		Gold Grain or Loss @ 4/0	Mass Gold Content @ 4/0	Gold Grain or Loss @ 4/0	Mass Silver Content @ 24	Silver Grain or Loss @ 24	Silver content @ 4/0	Mass Silver Grain or Loss @ 4/0
(Jantzen) 1	849874	849391	19	3467847	1060167	847681	3462776	-5071	3463634	- 4213	1068107	+ 7.40	106892	+ 8.25
2	844446	844463	17	3433878	1055672	821455	3421360	-12518	3422181	- 11337	1043244	- 1048	104160	- 1212
3	799408	799424	20	3342272	97810	796514	3329428	-12844	3331024	- 11251	96776	- 734	96776	- 734
4	811788	811796	18	3395818	97524	814685	3393163	-2655	3393163+	- 2655	96947	- 577	96866	- 658
5	813136	813156	20	3446550	102341	812498	3444991	-1559	3446616	+ 066	101562	- 779	101399	- 942
6	803391	803407	24	3394814	101948	803014	33928[illegible]	- 1939	3393286	- 1538	101642	- 106[illegible]	10159	- 189
7	796208	796680	22	3361639	94245	794459	3247[illegible]	- 4178	3247859	- 3780	93068	-1177	93227	- 1018
8	825787	825811	23	3428692	100332	825032	3425017	- 685	3429658	+ 966	97766	- 2556	97431	- 2391
9	813981	813004	23	3332526	99389	812166	3329880	- 2646	3329880	- 2646	99490	+ 101	99652	+ 263
10	807578	807601	23	3369220	103049	806964	336[illegible]0	-4191	3366653	- 2577	102080	- 969	102080	- 969
11	826879	826904	24	3463924	103854	826349	3464[illegible]468	+ 547	3464881	+ 960	104119	+ 265	104202	+ 348
12	825794	825779	25	3416893	100610	825044	341[illegible]6824	- 1196	3416567	- 371	102305	+ 1695	102522	+ 1612
13	807816	807835	25	3397777	103342	807275	3297[illegible]700	- 2077	3296911	- 866	102523	- 819	102523	- 819
14	820246	820262	22	3393631	98037	819644	3389[illegible]27	- 4404	3390047	- 3584	98357	+ 320	98193	+ 156
15	803149	803174	25	3408747	97088	803377	[illegible]3446	- 4534	3406086	- 2869	96555	- 533	96389	- 699
16	811290	811316	24	3356227	99316	810844	3346[illegible]6	- 3520	3347974	- 2304	98922	- 394	99004	- 312
17	750206	750230	24	3152312	97462	749142	3148[illegible]269	- 3943	3148643	- 3589	96264	- 1178	96414	- 1028
Clean-Up ⊗ 17A						14599		+3797	53846	+3826	1890	+18.90	1887	+18.87
	13842732	13843120	321	5793465[illegible]	1707276	13840742	57.333.302	- 13256	57348.316	+ 2258	17013.97	- 8999	17013.76	- 6900
(Fresh Cycle) 18	811432	811443	20	6876420	87793	810771	6869257	- 7173	6870473	- 5957	87968	+ 1.75	87806	+ 13
19	792493	792510	17	6742826	87201	791338	6736264	- 6562	6736661	- 6166	87047	- 154	87126	- 75
20	769671	769690	19	6626699	83550	768895	6624[illegible]	- 6514	6620[illegible]74	- 5740	82656	- 894	82502	- 1048
21	782344	782314	20	6676[illegible]	84987	781505	6673[illegible]11	- 3848	6673202	- 3457	85293	- 1694	85449	- 1538
22	834703	834736	23	7037[illegible]	98338	834314	7066639	- 8883	7068308	- 7214	95111	- 1227	94944	- 1394
Clean-Up ⊗ 22A						3705	27027	+ 27.027	27027	+27.027	598	+ 5.98	598	+ 5.98
	3909218	3909384	99	33998.136	4491.69	39915.28	33.992.183	- 5043	33.996624	- 1572	4386.73	- 3196	4384.25	- 3449
(Fresh Cycle) 23	796459	796445	16	3452139	96013	794813	3449488	- 2651	3449888	- 2251	439581	- 682	439531	- 682
24	758366	758382	17	3287[illegible]	94076	756189	33587[illegible]	- 10516	3359298	- 9388	407415	- 81	407490	- 06
25	746279	746290	18	3264[illegible]	94634	744919	2761[illegible]	- 2812	2762169	- 2440	455894	- 464	455845	- 539
Clean-Up ⊗ 25A						3803	15592	+15.592	15592	+15.592	2462	+21.62	2462	+21.62
	2484269	2484467	51	9586.[illegible]	1308.63	2429524	9585.037	- 387	9586537	+ 1.113	13049.98	+ 9.35	13049.98	+ 9.35
26	830944	831030	26	7396[illegible]	94232	829944	7380[illegible]	- 5812	7380691	- 5398	84239	+ 07	84176	- 76
27	811784	811826	24	7248[illegible]	80153	810710	7250[illegible]74	- 4101	7250179	- 3696	80665	+512	80584	+431
28	809284	809456	26	7[illegible]	81091	808226	7146[illegible]	+ 1634	7147142	+ 2038	80822	- 219	80903	- 188
Clean-Up ⊗ 28A						17244	[illegible]	+13542	13542	+13542	249	+249	249	+249
	[illegible]5210	[illegible]	[illegible]46	25[illegible]6061	[illegible]4578	24506.64	21.790.331	+ 5263	21791.674	+ 6486	2479.71	+ 499	2478.92	+ 446
(Resale) 29	801044	801037	23	[illegible]5[illegible]7[illegible]	[illegible]5878	798733	45[illegible]24	+7001	45[illegible]24	+7.800	15[illegible]50	- 538	15[illegible]90	- 688
Clean-Up ⊗ 29A						10772	[illegible]940	+8920	[illegible]941	+8921	2222	+222	222	+222
	801044	801037	23	[illegible]5[illegible]7[illegible]	[illegible]678.78	799805	45301.742	+12924	45[illegible]1.842	+13721	15775.72	- 316	15774.12	- 466

A.L.P.

Strell Sweeps

Fiscal 1956

		Content (Fine oz) Gold	Silver
R-2-56	5/11/56	41.830	269.82
R-5-56	6/22/56	80.400	1,262.32
R-9-56	6/26/56	15 513	202 26

137743

Fiscal 1957

R-1-57	3/1/57	18.089	316.53
R-4-57	5/14/57	42.316	1,334 76 Rpts not yet in

Deposit Sweeps

Fiscal 1956

D-1-56	8/20/55	77.519	219.71
D-2-56	6/8/56	59.788	220.18
D-3-56	6/22/56	.598	3.85

137905

Fiscal 1957

D-1-57	4/11/57	81.135	146.80
D-1-57	11/30/56	26.411	213.19
D-2-57	5/29/57	54.995	320.17

nu 006

Mass Melting
Gold Content

5/2/58

	No Mbls	Gain (Fine Oz) Assay to 1/4	Assay to 1/10
Josten -	17	13.256	2.258
Golden Gate -	5	5.953	1.512
Bald Mtn -	3	.387	1.113
Misc -	3	5.263	6.486
Eldorado -	2	21.687	23.297
Misc -	5	8.170	9.582
		15.524	41.224

May 5, 1958

Mr. W. H. Brett,
Director of the Mint
Treasury Department
Washington 25, D. C.

Dear Mr. Brett:

During Mr. Neisser's last visit here we told him that we were contemplating the mass melting of this years deposits in order to see how the gold recovered from the mass melting operation would compare with that for which the depositors were paid. We also mentioned to him that we might wish to have a check assay made on these mass melts by the New York Assay Office.

The joint mass melting experiment was duly conducted by the Melting and Refining Division, the Assay Division and the Cash and Deposits Division. A gain of forty-one ounces of gold, based upon assay of mass melts to the tenth part, was found. While a good clean-up was made, it is realized that some of the gold in the deposits escaped into the Cottrell system and into regular sweeps.

Half of each sample from this mass melting has been retained under joint control pending instruction from you to send them to the New York Assay Office. It is believed that New York, in making the check assays, should make the determination to the tenth part per thousand in order to reflect the actual amount of gold that should be recovered during the refinery processing of these deposits.

The deposits, or the mass melts, will be put through settlement on the basis of assay to the one-quarter point. On this basis only 15-ounces of the 41-ounce gain will be wiped out at this time. The remainder of 26-ounces will accrue to the refining operation whenever the mass melts are placed in the refinery process.

It probably would be advisable for the New York

Assay Office to keep the samples intact insofar as possible after assay until comparisons can be made with the assays made at this Mint.

We would appreciate hearing from you in regard to making the check assays.

Sincerely,

Superintendent

May 5, 1958

Mr. W. H. Brett,
Director of the Mint
Treasury Department
Washington 25, D. C.

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We would appreciate hearing from you in regard to making the check assays.

Sincerely,

Superintendent

Mrs. Alma K. Schneider, Superintendent May 6, 1958

Richard L. Merrill, Acting Assayer

Joint Project for Mass Melting Bullion Deposits

Object: To determine whether the gold for which depositors are paid can be recovered or whether depositors are being overpaid.

The above project has been completed in accordance with your memorandum of March 28, 1958. A report of the assay results has been given to the Superintendent, to the M & R Division, and to the Cash & Deposits Division.

The representativies of all three divisions cooperated in a friendly manner both in the weighing of the material and during the melting and recovery operation.

These 35 melts (approximately 850 deposits) show a gain of 10.98 oz over the transfer weight to the M & R Division.

An actual gain of 41.209 oz of gold over the 137,952.273 ozs of gold delivered to the M & R Division was found. If these assays were calculated on the basis of one-quarter of one-thousandth the gain is still 15.524 oz.

A loss of 44.49 oz of silver was found over the charged value of 46,983.85 oz to the M & R Division.

Past experience indicates that some values went off in fumes and were deposited in the Cottrell.

The above figures show that the M & R Division received the amount of gold which was charged to it and that the depositors are not being overpaid. Whether the gold can be recovered by the M & R Division cannot be determined by this experiment but is entirely a matter of efficient operation of the refinery.

This has been an interesting experiment and some pertinent knowledge may have been obtained but in view of the cost of such an operation I doubt if it has been of any economic value to the Mint Service.

May 6, 1958

TO: Mrs. Alma K. Schneider, Superintendent

FROM: A. L. Philippus, Cashier

SUBJECT: Overall study of deposits received at the Denver Mint, for comparison of gold content paid as opposed to actual recoveries. These recoveries include the findings of the mass meltings conducted in April on all deposits received during the 9-month period, July 1, 1957 to March 31, 1958, excepting fine gold deposits received from the Homestake Mining Company.

The study discloses total net gains amounting to 209,918 troy ounces in gold recoverable as a net profit to the government, over payments made to depositors, as itemized on page 2 of this report.

		Ounces Gained
Mass Melting:		
(a) Gold content paid for, per records	137,952.273 Oz.	
Gold content found in mass melting	137,993.497	
Gain	41.224 Oz.	41.224
(b) Silver content paid for, per records	46,983.82 Oz.	
Silver content found in mass melting	46,939.49	
Loss	44.33 Oz.	
Fine Gold:		
(c) Homestake gold purchased at the ¼ and taken into account at the 1/10th thru transfer thru the Melting & Refining Division:		
(Gains on bars retained by Cash & Dep.Div.)	27.334 Oz.	
(Gains on bars delivered to M & R (Fractional)	1.855	
	29.189	29.189
Grains Bars:		
(d) Surplus on Grains Bars to 4/30 - 9.687 oz.gold (9-month proportion -7/1/57 to 3/31/58)		8.719
Cottrell Sweeps:		
(e) Cottrell recoveries for years when Refinery not in operation:		
1954	42.316 Oz.	
1956	137.743	
1957	18.089	
	198.148 Oz.	
Yearly average	66.049 Oz.	
(9-month proportion		49.539
TOTAL GAINS CREDITABLE TO M & R DIVISION - 9-month period		128.671
Deposit Sweeps:		
(f) Deposit Sweeps recovered for years when Refinery not in operation:		
1954	74.006 Oz.	
1956	137.905	
1957	81.135	
	293.046 Oz.	
Yearly average	97.682 Oz.	
(9-month proportion		73.262
[illegible]		[illegible] Fine Ozs.
Additional Gains:		
(g) Quarterly Recoveries from Deposit Melting Room:		

	Gold	Silver
First Quarter (F.Yr.1958)	2.940	3.71
Second "	3.177	4.04
Third "	1.868	5.52
	7.985	13.27

7.985 "

Total gains to government - 9-month period - - - - - - - - - - - - 209.918 Oz.

The gains represented in the mass melt findings, are based upon the Assayer's reports to the tenth. Gold contained in the crude metal will eventually be returned to this division in the form of certificate bars, computed to the tenth. The actual gold content can therefore only be determined by computing to the tenth.

However, since the mass melts will go thru Settlement on the basis of assays reported to the fourth, a computation on that basis was also made as a matter of record. This developed a gain of + 15.524 troy ounces in fine gold.

Total weight of the bars melted, per book computations, was 259,590.94 troy ounces and the total weight of the massed bars was 259,601.92 ounces, a net gain of 10.98 ounces. This produced an average swing taken on each bar of approximately .0132 troy ounce. It should be noted here, that this swing was found after the bars had been handled several times, and would indicate that the original swing was even greater when the bars were first transferred, due to natural abrasion in subsequent handlings.

Gross melting loss on the entire operation was 82.11 ounces. Much of this is probably attributable to deposits which normally contain much zinc in their base content, which is easily driven off in melting. Such loss in weight, however, produces a proportionate increase in fineness.

All metal melted was found to be clean and no skimming of any dross was necessary.

Magnetic tests on suspicious particles disclosed no iron or steel present. No remelts were requested on any bar. A cleanup of crucibles was made after each mass melting, and a bar produced therefrom.

In explanation of the Homestake fine computations in this report, these bars are taken into account at the tenth thru transfer thru the Melting & Refining Division. These fine deposits are melted into certificate bars in the Deposit Melt Room, with fractional bars going to the Melting & Refining Division for future melting. The gross purchase is charged to the Melting & Refining Division on the basis of assay reports to the quarter point, whereas the Cash & Deposits Division is charged back the actual bars retained less the fractional bars, assays on the retained bars being on the basis of assay reports to the tenth. Thus the Melting & Refining Division receives the gains between the quarter and the tenth.

Personnel involved: Mr. R. Folson of the M & R in charge of melting, Mr. Cecil Gray representing the Assay Division, and Mr. William S. Johnson representing the Cash & Deposits Division. Weighing of the melts was done by Messrs. John Morr and Higgins of the Melting & Refining Division.

A. L. Phillips.
Cashier

May 6, 1938

Mr. W. H. Brett,
Director of the Mint
Treasury Department
Washington 25, D. C.

Dear Mr. Brett:

Enclosed are the reports of the result of our recent mass melting of gold, preparatory to opening the refinery.

The results would seem to end any charge of too tight weighing in the deposit room.

We await your authority to send the samples to the New York Assay Office.

Sincerely,

Superintendent

AKS:ms
Enclosure

Hold for arrival

MAY 26 1958

TREASURY DEPARTMENT

WASHINGTON 25

OFFICE OF
DIRECTOR OF THE MINT

IN REPLYING QUOTE INITIALS

May 23, 1958

Mrs. Alma K. Schneider,
Superintendent,
United States Mint,
Denver, Colorado.

Dear Mrs. Schneider:

Reference is made to your letter of May 5, 1958, reporting on the results of mass melting 1958 deposits, covering the period from July 1, 1957 to March 31, 1958, except fine gold deposits received from Homestake.

We note that you state that "A gain of forty-one ounces of gold, based upon assay of mass melts to the tenth part, was found." Mint Regulations state, (Article IX, Sec. 2, Page 20) "The bars resulting from any mass melting shall be sampled and assayed in the same way as original deposits." The fact that this metal was not massed in anticipation of inter-institutional shipment does not change the situation; it is still a deposit held by the Superintendent of M&R. The Mint Regulations state, Article IV, Sec. 1, Page 12, "The fineness of all deposits of gold and silver at the Mints and the Assay Office, except the class of deposits enumerated in the following paragraph, shall be reported by the Assayer, as follows: "Gold to one-quarter thousandth and silver to one-half thousandth."

The reporting of gold to the quarter point is but one factor in protecting the interest of the United States and thereby the Superintendent of the Mint, as insurer. Therefore, your apparent gain, as established by assays at Denver on the above mass melting operation, was 15.524 troy ounces of fine gold. You further state "It is believed that New York, in making the check assays, should make the determination to the tenth part per thousand in order to reflect the actual amount of gold that should be recovered during the refinery processing of these deposits."

The Assayer at New York, in accordance with Mint Regulations, will report to the quarter point, so that his results will reflect the amount of gold that should be recovered during the refinery processing of these deposits. From your report, it appears that much of the mass melt metal was necessarily of a fineness of approximately 500 or below. Assays to 1/10th of a point, on this type of metal, cannot be considered to be valid.

Referring to your letter of May 6, 1958, attaching a memorandum by Mr. Philippus, dated May 6th, entitled "Overall study of

deposits received" and Mr. Merrill's memorandum of the same date, entitled "Joint project for mass melting bullion deposits,": I note that in your letter of transmittal, you state that "the results seem to end any charge of too tight weighing in the deposit room." It is my understanding that the Assayer and Superintendent of M&R are the persons legally and technically qualified by education, training and experience to exercise judgment, after considering the composition and appearance of bars and grains, in the making of allowance therefor. I find no reference from either official stating his opinion as to the adequacy of the 10.98 gross ounces gain on the mass weighing of the deposits prior to mass melting.

Referring to the May 6th memorandum of Mr. Richard Merrill, Acting Assayer, we make the following comments: Mass melting should not be considered as an "interesting experiment." It has long been accepted as a standard Mint practice, as a further safeguard to the Government in that it provides additional data whereby the Assayer and Deposit Receiving Clerk may draw conclusions relative to the accuracy of their operations. Mass melting also provides the Superintendent of the Mint with additional evidence as to the accuracy of the charge for the values for which he is responsible.

The accuracy of the figures giving the amount of values in the mass melts depends upon several factors, including the accuracy of weights and assays, the condition of the bars produced, and the accuracy with which the assay samples represent a true sample of the melt. If, in every instance, the operations have been performed with the intent of fully protecting the Government's interests, the conclusion is properly made that the metal charged was actually received by the M&R Division.

With regard to the memorandum of May 6th from Mr. Philippus, the amount of gold contained in any Cottrell sweeps, as well as any miscellaneous recoveries such as deposit sweeps and quarterly recoveries from the Deposit Melting Room, have no bearing whatsoever on the validity of the total fine ounces of metal said to be contained in deposits delivered to the Superintendent of M&R for mass melting, storage, or redeposit in another Mint institution. Confusion of these separate values, as in the figure of 209.918 ozs. as "gains to government" should be avoided. Such confusion will tend to create, in the minds of those ignorant of Melting and Refining operations, an impression that a substantial surplus of metal is present in the material massed, when such is not actually the fact.

In other words, if settlement were to be made on this metal alone, at this time, it is obvious that a gain or surplus of 209.918 ozs. of gold would not result, although the purpose of the memorandum seems to be to show this.

We note that your letter contains no memorandum from the Superintendent of M&R with his comments and interpretation of the results.

I am reserving final judgment on the validity of certain other statements made and conclusions reached in the memorandums submitted by you, pending completion of a thorough study of our deposit receiving, assaying, and refining regulations and interpretations thereof, by a committee of qualified Mint representatives. You will be further advised in a separate letter concerning my selection of a representative of your Mint on this committee.

In accordance with the wish expressed in your letter of May 5, 1958, you are authorized and requested to send the "half samples" presently reserved by you, representing samples taken from each of the thirty-five mass melts, to the Superintendent of the U. S. Assay Office at New York, for assay. We will authorize him to assay these samples and will request him to retain the unused portion of such samples separately intact, pending further advice.

Please send to this office a copy of the Denver Assayer's report on the thirty-five melts; the Assayer at New York will be asked to furnish his report to you, with copy to this office.

Very truly yours,

Director of the Mint

cc: Philippine
Manila

5/26/58

Comments on D/M letter of May 23, 1958 - Mass Melts

Page 2: (Par. 1)

"It is my understanding that the Assayer & Supt. of M&R are the persons legally and technically qualified by education, training and experience to exercise judgment, after considering the composition and appearance of bars and grains, in the making of allowance therefor."

(Without regard to the laws and regulations?)

Continuing in same paragraph:

"I find no reference from either official stating his opinion as to the adequacy of the 10.98 gross ounces ~~xxxxx~~ gain on the mass weighing of the deposits prior to mass melting."

(In view of the Director's opinion that only the Assayer and Supt. of M&R have the ability to judge tolerances, why want the opinion of the Cashier on this?)

Page 2 - (Par. 2)

"(Mass melting) provides additional data whereby the Assayer and Deposit Receiving Clerk may draw conclusions relative to the accuracy of their operations."

(Has this not now been established by this operation?)

Page 2 -(Par. 3)

"If, in every instance, the operations have been performed with the intent of fully protecting the Government's interests, the conclusion is properly made that the metal charged was actually received by the M&R Division."

(What does this mean? If the intention has been good, would a shortage of gold be condoned?)

Page 2 - (Par.4)

"Such confusion will tend to create, in the minds of those ignorant of Melting and Refining operation, an impression that a substantial surplus of metal is present in the material massed, when such is not actually the fact."

(Who are the "ignorant" persons who would have access to the reports?)
(The whole operation was undertaken to ascertain the presence or absence (of the gold purchased. If the gold was there, a person's ignorance or (brilliance would be of no concern.

Page 3 - (Par. 2)

Appointment of a Special Committee to study Mint procedure is good, but this is conflict with Par. 1 of Page 2 which leaves the matter of tolerances to the judgment of the Assayer and Supt. of M&R.

(The letter contains to complaint of our procedure of weighing & assaying)

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO :

DATE:

FROM :

SUBJECT:

Ppg 2. Assays were made to the quarter of a point and entered upon our register at that figure. However they were also computed to the tenth in order to show the actual amount of gold found by assay to be in the melt.

Ppg 4. All gold should be recovered during processing not just the amount shown by computing to a quarter of a point. If this were not true how could we account for past surplus. Also if assays to a tenth of a point cannot be considered valid on material of this nature going into the refinery how can they be considered valid on refinery products.

Ppg 6. Mass melting has been standard Mint practice for transfer of bullion from one institution to another and for occasional aid to the work in the institution. However such practice is very limited in Denver as we are unable to find any reference to assays on any Mass Melts since 1940 when there three made at settlement time.

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5/26/58

Comments on D/M letter of May 23, 1958 - Mass Melts

Page 2: (Par. 1)

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"(Mass melting) provides additional data whereby the Assayer and Deposit Receiving Clerk may draw conclusions relative to the accuracy of their operations."

(Has this not now been established by this operation?)

Page 2 -(Par. 3)

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(The letter contains to complaint of our procedure of weighing & assaying)

June 3, 1958

AIR-MAIL

Director of the Mint
Washington, D. C.

Dear Sir:

Enclosed is the Assayers report on the mass melting project recently conducted at this Mint.

We are happy to know that you will be coming out to Denver in the near future. There are many points mentioned in your letter of May 23 in regard to the mass melting project which are difficult for us to discuss by correspondence. Certainly we have no wish to create a controversy of any kind. We shall be most happy to discuss the matter with you fully and frankly when you arrive.

Very truly yours,

Superintendent

Enc

TREASURY DEPARTMENT

UNITED STATES MINT SERVICE

DENVER, 2, COLO.

OFFICE OF SUPERINTENDENT
UNITED STATES MINT

June 4, 1958

AIR-MAIL

Director of the Mint
Washington 25, D. C.

Dear Sirs

We were glad to receive your letter of June 2 pertaining to Mr. Philippus' settlement assignment, and appreciate your releasing him from this duty. We are also grateful for your consideration and sympathy toward our problems. This is the kind of support which is heartening to those of us in the field.

We have sent you recommendations for filling the vacancy left by Mr. Griswold, and eagerly await your approval.

Very truly yours,

Superintendent

TREASURY DEPARTMENT

WASHINGTON 25

OFFICE OF
DIRECTOR OF THE MINT

IN REPLYING GIVE INITIALS

June 2, 1958

Superintendent
United States Mint
Denver 2, Colorado

Dear Madam:

I have given serious consideration to the information included in your letter of May 15, 1958, and in your telegrams, regarding the assignment of Mr. Philippus as a member of the New York Settlement Committee.

In the third paragraph of your letter you state "Mr. Farrand would be of no use to us since procedures at San Francisco, I am told, have always been different from Denver." This statement comes as quite a surprise to the employees in our Accounting Division, who were not aware that your procedures had deviated so far from standard. With the same Mint Regulations, Settlement Instructions, and Joint Sealing Regulations; similar reports on the Cashier's Daily Statements, Asset and Liability Statements, and other statements; and like procedures for receiving, processing and storing bullion and coin, it is extremely difficult to understand why an employee in a similar capacity at another Mint, with eleven years experience, would be of no use to you.

You also state in your letter "With Mr. Philippus away, we all feel that the assets are in peril and it is a most hazardous condition." This statement could be interpreted to mean that Mr. Philippus is the only one who is capable of delivering the assets in Settlement. This definitely indicates that if Mr. Philippus were suddenly physically incapacitated, and could not be present, the assets for some unexplained reason would not be available and could not be delivered in settlement, and you would have a shortage at the conclusion of settlement.

This interpretation is substantiated by your current statement regarding the Assistant Cashier, Mr. Griswold. You now indicate that one of the reasons he is retiring is because of the possibility that a shortage might develop if Mr. Philippus were not there.

Superintendent, Denver, Colorado, June 2, 1958.

In view of the confusing and disturbing facts presented, and other available information, I have decided to remove Mr. Philippus from the Settlement Committee and his travel authority is hereby revoked. The outcome of your settlement will be carefully reviewed to determine if all assets are properly accounted for.

Your statements prove that a very undesirable situation has developed at your institution, and that appropriate action must be taken to correct it.

Very truly yours,

Director of the Mint

Mr. Reddish:

Fine Ounces of gold in samples sent to New York:

26.867 Gold
9.53 Silver

This determination based upon our assayer's report.

Superintendent
U. S. Assay Office
32 Old Slip
New York, N. Y.

Dear Sir:

On May 29, 1958, we sent you assay samples taken from 35 mass melts. It is understood that the Director is sending you instructions as to how the assays should be reported and that the samples are to be kept intact after your assaying has been accomplished.

It is assumed that these samples will not be returned to us before the termination of settlement. We shall therefore need a receipt to present to the Settlement Committee.

Our calculations show that there are 26.867 fine ounces of gold and 9.53 fine ounces of silver in the samples. Will you please acknowledge receipt of this material so that the proper evidence can be submitted to the Settlement Committee.

Very truly yours,

Superintendent

June 5, 1958

AIR-MAIL

Superintendent
U. S. Assay Office
32 Old Slip
New York, N. Y.

Dear Sir:

On May 29, 1958, we sent you assay samples taken from 35 mass melts. It is understood that the Director is sending you instructions as to how the assays should be reported and that the samples are to be kept intact after your assaying has been accomplished.

It is assumed that these samples will not be returned to us before the termination of settlement. We shall therefore need a receipt to present to the Settlement Committee.

Our calculations show that there are 26.867 fine ounces of gold and 9.53 fine ounces of silver in the samples. Will you please acknowledge receipt of this material so that the proper evidence can be submitted to the Settlement Committee.

Very truly yours,

Superintendent

Comparison Denver & New

Melt #	Paid Gold Content	Paid Silver Content	A.M. Mass weight	Denver Fineness Gold	Silver	Denver Content Gold	Silver	New York Fineness Gold	Silver	New York Content Gold	Silver	Gain (New York) Gold	Silver	Loss Gold	Silver
29	451784	15878	798733	566	197	452482		566	194	452482	15363				
29-A			1072	552	207	592		552	203	592	217				
	451.782	158.78	7998.05			453.154		157.5		452.874	155.70	1092			2308
30	218130	9286	409401	541	209	219694		540	214	2178487	90249				
30-A			4908	559	215	21202		558	209	21202	861				
31	393938	9776	808220	487	193	394072		487	192	393631	82438				
32	191153	5486	420661	454	134	191085		454	134	190980	5430				
32-A			1221	480	179	586		480	147	586	179				
33	661190	57175	699373	094	813	659179		093	815	653913	570338				
33-A			1046	138	743	1286		123	746	1286	774				
34	161365	1624	179181	900	094	161307	6	900	085	161307	519				
34-A			112	805	162	902		808	—	1017	—				
35	401436	8758	552491	735	165	400859		724	179	400553	7132				
35-A			160	568	207	909		564	—	902	—				
36			1799	129	192	2325		129	279	2314	502				
	1071.9.266	8418.20	25747.73			1073.6.202		845.5.66		1072.4.691	8193.22	595			2498
Grand totals	137952273	4698382	2952676			137967797		46		137870874	4625447	127.559		88778	6313

Net differences over Paid Weights 61399 - 6313

Deleted

- Deleted

+ Deleted

P-1

Comparison Denver Assays with New York

Melt #	Paid Gold Content	Paid Silver Content	A.M. Mint Weight	Denver Fineness Gold	Denver Fineness Silver	Gold	Silver	New York Fineness Gold	New York Fineness Silver	New York Content Gold	New York Content Silver	Gain (New York) Gold	Gain (New York) Silver	Loss Gold	Loss Silver
1	3467847	106067	847681	408	126	3462776	106877	408	127	3458538	108079				
2	3433518	105372	821455	416	127	3423360	104335	416	127	3417252	104735				
3	3342272	97510	796514	418	121	3331428	96467	417 3/4	124	3327437	98767				
4	3395818	97524	814685	416	119	3387163	96940	415	118	3385016	96540				
5	3446550	102341	812498	424	125	3446991	101805	423	128	3440929	104405				
6	3394814	101748	823014	412	123	3392875	100165	412	124	3390817	102465				
7	3251639	94245	795459	408	117	3247048	93217	407 3/4	118	3243484	94261				
8	3428692	100320	825032	415	118	3429618	99316	415	120	3423882	99416				
9	3332526	99389	812166	410	122	3329880	99667	408	124	3315667	100708				
10	3369220	103049	806964	417	126	3365039	102948	416	125	3358987	101273				
11	3463924	103854	826349	419	126	3464468	103854	418 3/4	122	3460336	101227				
12	3416878	100610	825044	414	124	3415682	100610	413 3/4	122	3413619	101067				
13	3297777	103342	807275	408	127	3295700	103342	408	125	3293682	101313				
14	3393631	98037	819644	413	120	3389227	97947	413	119	3387178	97947				
15	3408955	97088	832377	409	116	3404421	95723	409	115	3404421	95723				
16	3350278	99316	810844	412 3/4	122	3346758	98616	411 3/4	120	3338650	97301				
17	3152212	97462	749142	420	128	3148269	95923	419 3/4	124	3144523	97013				
17-A			14599	368	129	53797	1897	367 3/4	130	53687	1897				
	57.346.558	17072.76	138407.42			57.333.302	17013.77			57.258.105	17.041.37			88453	3139
18	6876430	87793	810771	847	108	6869257	87968	847	102	6871284	83104				
19	6742826	87201	791338	857	110	6736264	87199	851 3/4	104	6740224	82299				
20	6626699	83550	768895	861	107	6620185	82726	861	102	6622108	78427				
21	6676659	86987	782505	852 3/4	109	6672811	85293	853	106	6674676	83336				
22	7025522	96338	834314	847	114	7066639	95111	847	112	7068725	93443				
22-A			3705	729	161	27027	5798	729	131	27009	485				
	33998.136	4418.69	39915.28			33.992.183	4386.73			34804.023	4210.94	5887			2075
23	3452139	440213	794813	434	553	3449488	439581	433 3/4	551	3447501	437941				
24	3368686	407496	757689	446 3/4	542	3358170	402425	447	539	3360049	405536				
25	2764599	456354	744919	370 3/4	612	2761787	455890	370 3/4	610	2761787	454773				
25-A			3803	410	5684	15592	2162	409 3/4	567	15582	2156				
	9585.424	13040.63	22952.24			9585.037	13049.98			9584.919	13004.06	505			3657
26	7386089	84232	829944	889	101	7380277	842394	889	095	7382351	79259				
27	7253875	80153	810710	894	99	7249774	806455	894	092	7251800	74585				
28	7145104	81071	808226	884	100	7146738	808422	883 3/4	098	7142697	80660				
28-A			1724	785	144	13542	2249	785 3/4	124	13546	214				
	21785.068	2454.76	24506.04			21790.331	2459.75			21790.394	2347.18	326			1075

Comparison Denver & New York

Melt #	Paid Gold Content	Paid Silver Content	A.M. Mass weight	Denver Fineness Gold	Denver Fineness Silver	Denver Content Gold	Denver Content Silver	New York Fineness Gold	New York Fineness Silver	New York Content Gold	New York Content Silver	Gain Gold	Gain Silver	Loss Gold	Loss Silver
29	45 17.84	15 78.78	7987.33	566	197	4524.82	15 73.50	566	194	4528.74	15 53.53				
29-A			10.72	555	207	5.92	2.22	555	203	5.17	2.17				
	45 17.84	15 78.78	7998.05			4531.54	15 75.72			4528.74	15 55.70	1.092			2.308
30	2192.30	92.86	40.4901	541	239	2179.69	932.64	540	234	2178.87	90.249				
30-A			4.908	529	215	2.602	.861	528	209	2.602	.861				
31	3939.38	97.726	808.220	487	123	3940.72	994.11	487	102	3936.31	82.438				
32	1911.53	54.861	420.661	454	124	1910.85	925.78	454	122	1909.80	51.530				
32-A			12.21	480	149	5.86	1.95	480	147	5.86	1.79				
33	661.90	57.175	699.373	094	813	659.19	689.31	092	815	653.913	57.0338				
33-A			10.46	123	743	1.286	7.27	123	740	1.286	.774				
34	1613.65	16.214	179.181	900	094	1613.076	1684.3	900	085	1613.076	15.319				
34-A			1.12	805	162	.902	1.2	808	—	1.017	—				
35	401.36	8.758	55.291	735	165	400.859	91.23	724	129	400.583	7.132				
35-A			1.60	568	207	.909	3.1	564	—	.902	—				
36			17.99	129	292	2.32	5.27	129	279	2.334	.502				
	10719.266	848.20	25747.73			10736.201	8455.66			10724.691	8193.22	1.425			2.498
Grand Totals	137952.273	4698.382	2595.2676			137967.797	4694.81			137870.814	4635.247	127.559		88.978	63.135

Net differences over Paid Weights = 61.399 — 63.135

~~Net differences over Denver Contents = 1.736~~

Gain
− Loss
+ Net

P-1

Comparison Denver Assays with New York

Melt #	Paid Gold Content	Paid Silver Content	A.M. Mass Weight	Denver Fineness Gold	Denver Fineness Silver	Denver Gold	New York Fineness Silver	New York Content Gold	New York Content Silver	Dif. over Paid weights Gain Gold	Dif. over Paid weights Gain Silver	Dif. over Paid weights Loss Gold	Dif. over Paid weights Loss Silver
1	8467847	106067	847681	408⅛	126	3462776	127⅛	3458538	108019				
2	3433518	105372	821455	416⅛	127	3421360	127⅛	3417252	104735				
3	3342272	97510	796514	418	121⅛	3329418	124	3327437	98767				
4	3395818	97524	814685	416⅛	119	3393163	118⅛	3385016	96540				
5	3446550	102341	812498	424	125	3444991	128⅛	3440999	104405				
6	3394814	101748	823014	412¾	123⅛	3392875	124⅛	3390817	102465				
7	3251679	94245	795459	408¾	117	3247461	118⅛	3243484	94261				
8	3428692	100332	825032	415⅛	118⅛	3429658	120⅛	3423882	99416				
9	3332526	99389	812166	410	122⅛	3329880	124	3315667	100708				
10	3369230	102049	806964	417	126⅛	3365039	126¾	3358987	101273				
11	3463924	103854	826349	419¼	126	3464468	127⅛	3460836	101227				
12	3416878	100610	825044	414	124	3415682	124⅛	3413619	101067				
13	3297777	103342	807275	408¾	127	3295700	127⅛	3293682	101313				
14	3393631	98027	819644	413⅛	120	3389227	119⅛	3387178	97947				
15	3408955	97088	832377	409	116	3404421	115	3404421	95723				
16	3350278	99316	810844	412¾	122	3346758	120	3338650	97301				
17	3152212	97462	749142	420¼	128⅛	3148269	129¼	3144523	97013				
17-A			14599	368⅛	129⅛	5379.7	130	5365.7	1897				
	57346.558	17072.76	138.407.42			57333.302		57258.105	17041.37			17013.97	8845.3
18	6876430	87793	810771	847¼	108⅛	6869217	879.68	847⅛	102⅛	6871284	83104		
19	6742826	87201	791338	851¼	110	6736244	879.47	851¾	104	6740221	85299		
20	6626699	83556	768895	861	107⅛	6620185	826.76	861¼	102	6622108	78427		
21	6676659	86987	782505	852¾	109	6672811	852.93	853	106⅛	6677676	83336		
22	7025527	96338	834314	847	114	7066639	951.1	847¼	112	7068725	93443		
22-A			3705.	729⅛	161⅛	27027	5.8	729	131	27009	485		
	33998.136	4418.69	39915.28			33992.183	4386.73			34004.023	4210.94	5887	2077
23	3452139	440213	794813	434	553	3449488	439531	433¾	557	3447501	437941		
24	3368686	407496	757689	446¾	542	3358170	407.45	447	539⅛	3360049	405536		
25	2764599	456354	744919	370¾	612	2761787	455890	370¾	610⅛	2761787	454773		
25-A			3803	410	568⅛	15592.	21.62	409¾	567	1572	2156		
	9585.424	13040.63	229252.24			9585.037	13049.98			9584.919	13004.06	505	365
26	7386089	84232	829944	889¼	101⅛	7380277	842.19	889⅛	095⅛	7382251	79259		
27	7253875	80153	810710	894¼	99⅛	7249774	806.65	894⅛	092	7251800	74585		
28	7145104	81091	808226	884¼	100	7146738	808.22	883¾	098	7142697	80660		
28-A			1724	785⅛	144⅛	13542	2.49	785¾	124⅛	1356	214		
	21.785.068	2454.76	24506.04			21790.331	2459.75			21790.394	2347.18	326	1071

Jester

Bad Letter

P C =

Assayers Report

Mass Melts

April 30, 1958

			Gold	Silver		Gold	Silver	
408	1	—	408½	127½ 126	—	408.6	126.1	
416	2	—	416½	127½ 127	—	416.6	126.8	
417 3/4	3	—	418	124 121½	—	418.2	121.5	
415-1/2	4	—	416½	118½ 119	—	416.5	118.9	
423½	5	—	424	128½ 125	—	424.2	124.8	
412	6	—	412½	124½ 123½	—	412.3	123.4	
407 3/4	7	—	408½	118½ 117	—	408.3	117.2	
415	8	—	415½	120½ 118½	—	415.7	118.7	
408 1/4	9	—	410	124 122½	—	410	122.7	
416 1/4	10	—	417	125-1/2 126½	—	417.2	126.5	
418 3/4	11	—	419½	122½ 126	—	419.3	126.1	
413 3/4	12	—	414	122½ 124	—	414.1	123.9	
408	13	—	408½	125½ 127	—	408.4	127	
413 1/4	14	—	413½	119½ 120	—	413.6	119.8	
409	15	—	409	118 116	—	409.2	115.8	
411 3/4	16	—	412	3/4 120 122	—	412.9	122.1	
419 3/4	17	—	420½	129½ 128½	—	420.3	129.3	
367 3/4	17A	—	368½	129½	130	368.7	129.3	Plat.
847 1/2	18	—	847½	102½ 108½	—	847.4	108.3	
85 13/4	19	—	851½	104 110	—	851.3	110.1	
861 1/4	20	—	861	105 107½	—	861.1	107.3	
85 3	21	—	852	3/4 106½ 109	—	852.8	109.2	
847 1/4	22	—	847	112 114	—	847.2	113.8	
729	22A	—	729½	161½	131	729.5	161.5	P
433 3/4	23	—	434	5 5 1 553	—	434	553	
447	24	—	446	3/4 542	—	446.9	542.1	
370 3/4	25	—	370	3/4 610½ 612	—	370.8	611.9	
409 3/4	25A	—	410	568½	567	410	568.7	
889 1/2	26	—	889½	95½ 101½	—	889.3	101.4	
894 1/2	27	—	894½	9 99½	—	894.3	99.4	
883 3/4	28	—	884½	98 100	—	884.3	100.1	
785 3/4	28A	—	785½	144½	124½	785.5	144.5	P
566 1/4	29	—	566½	194½ 197	—	566.6	196.8	
55	29A	—	552½	207½	203	552.4	207.6	
540 3/4	30	—	541	224 229	—	541.2	229.2	
528 3/4	30A	—	529	215	209	529.1	214.9	
487	31	—	487½	102 123	—	487.5	123.2	P
4-4	32	—	454½	122½ 134½	—	454.3	134.4	P
480	32A	—	480½	159	147	480.7	159	P
93 1/4	33	—	94½	815½ 813½	—	94.4	813.6	P
123	33A	—	123	743½	740	123.2	743.3	
900 1/4	34	—	900½	85-1/2 94	—	900.3	94.1	P
808 1/4	34A	—	805½	162	0	805.6	161.9	P
724 1/2	35	—	725	129 165	—	725.1	164.9	P
564 1/4	35A	—	568½	207½	0	568.4	207.6	P
129 3/4	36	—	129½	292	229½	129.4	292	P

June 30, 1958

TO : Mr. Vincent P. Lundy, Chairman 1958 Settlement Committee

FROM: Glen M. Woodrow, Acting Supt. Melting & Refining Division

RE : Sources of M & R Division Surpluses and Wastages

M & R Division surpluses and wastages for the 1958 fiscal year are listed as follows:

	Gold, Fine Ounces		Silver, Fine Ounces	
	Surplus	Wastage	Surplus	Wastage
Sweeps	71.945	--	*16,497.72	--
Fine Gold Deposits	37.796	--	--	--
Mass Melts	14.483	--	--	35.89
Grains Account	17.747	--	59.15	--
Assayer's Account	1.084	--	4.65	--
Silver Alloy Account	--	--	26,699.77	--
Ingots Cast for Philadelphia	--	--	--	874.72
Miscellaneous	--	.085	--	.36
	143.055	.085	43,261.29	910.97
	- .085		- 910.97	
Net Surplus	142,970		42,350.32	

*Silver in sweeps from ingot operations is silver alloy surplus.

The 37.796 fine ounce gold surplus attributed to "Fine Gold Deposits" melted by the Cashier, represents the gain from charging the M & R Division with this gold on the basis of 1/4 part assays and subsequently crediting the Division with the same gold on the basis of 0.1 part assays.

The 71.945 fine ounces gold surplus and the 16,497.72 fine ounces silver surplus attributed to "Sweeps" represents all gold and silver contained in the 1958 sweeps. The gold and an indeterminable amount of silver, accumulated in the Cottrell sweeps, originated from processing of 1958 deposits and Mass Melting. Most of the silver in the Cottrell sweeps is from ingot melting operations.

The 26,699.77 fine ounces silver surplus attributed to the "Silver Alloy Account" represents the difference between make-up and delivery fineness on 40,169,974.30 gross ounces of silver alloy metal delivered as blanks to the Coining Division. Approximately 69,468,000. gross ounces of subsidiary silver ingots were cast during the 1958 fiscal year.

Surpluses attributed to the Assayer and Grains' Accounts are normal and readily understandable without further explanation.

Crude bullion, fiscal year 1958, through March, was Mass Melted. The 14.483 fine ounces surplus in gold, and the loss of 35.89 fine ounces silver is recorded without comment.

The apparent wastages and surpluses of Minor Coinage Metals inventory, such as: copper, nickel, zinc, tin and phosphor copper, do not represent actual shortages and surpluses but rather excessive or deficient charges and make-up weights to the Ingot Melting Section. These inaccurate charges and weights to the Ingot Melting Section are direct results of manpower savings' procedures, now used in compiling large amounts of these individual metals into melts for casting into ingots. For example: phosphor-copper is measured rather than weighed; tin is weighed only approximately; individual melts of nickel metal are measured rather than weighed. A skid of twelve such melts being weighed on avoirdupois scales requiring interpolation between the two (2) pound graduations for determining the charge to the Melting Room; copper for 1¢ alloy and 5¢ alloy melts is weighed on avoirdupois cantiliver beam scales, which require from one to two pounds to "break." While this method of weighing copper is fast and accurate enough for assay tolerance requirements, it actually results in a shortage or excess of copper in each melt. The Ingot Melting Room, therefore, gets less or more copper than it is charged. This affects the above 1¢ and 5¢ alloy accounts, which reflect the apparent melting loss, also the apparent surpluses or wastages in the Minor Metal Accounts. Only by periodical physical inventories of copper, etc., and making corresponding adjustments of one or two pounds on the scale beams can these discrepancies between the accounts and the inventories be brought into closer adjustment. When physical inventories are not practical - as was the case during the current fiscal year - an apparent surplus or wastage in Minor Coinage Metal is inevitable. Indicated operational surpluses and wastages are, therefore, unreliable under current conditions of fast volume weighing in the Make-up Section, unless adjustments are made on the basis of physical inventories, and it is definitely known that invoice weights of metals are actually received.

Approximately 168,966,000 gross ounces of 1¢ alloy ingots and 51,822,000 gross ounces of 5¢ alloy ingots were cast during the 1958 fiscal year.

Respectfully,

Glen M. Woodrow

GMW:ms

OFFICE OF
THE SUPERINTENDENT
U. S. ASSAY OFFICE
32 OLD SLIP

TREASURY DEPARTMENT

UNITED STATES MINT SERVICE

NEW YORK 5, N. Y.

RECEIVED
JUL 16 1958
OFFICE OF
SUPERINTENDENT
U. S. MINT AT DENVER

July 14, 1958

Mrs. Alma K. Schneider
Superintendent
United States Mint
Denver 2, Colorado

Dear Madam:

Reference is made to assay reports on Denver mass melts forwarded with our letter dated July 10, 1958.

We regret to inform you that a typographical error was made in listing the gold content of assay number 26 on Assayer's official Report Form 629. Gold content of such sample was incorrectly recorded as 899½ instead of 889½. The correct fineness (889½) was listed in the schedule which accompanied the official report forms.

There is enclosed corrected report containing the assay in question and it will be appreciated if you will kindly substitute it for the original sheet bearing assay number 26.

Very truly yours,

GT/ac
Encl.

Superintendent

TREASURY DEPARTMENT

UNITED STATES MINT SERVICE

NEW YORK 5, N. Y.

OFFICE OF
THE SUPERINTENDENT
U. S. ASSAY OFFICE
32 OLD SLIP

RECEIVED

JUL 11 1958

OFFICE OF
THE SUPERINTENDENT
U. S. MINT AT DENVER

July 10, 1958

Mrs. Alma K. Schneider
Superintendent
United States Mint
Denver 2, Colorado

Dear Madam:

In compliance with instructions received in letter from the Director of the Mint dated May 23, 1958 assays have been completed on samples of mass melts forwarded by your office on May 29, 1958 and referred to in your letter dated June 5, 1958.

Assay reports and other data submitted by Mr. Howard F. Johnson, Assayer of this office are enclosed.

Residues of such samples will be retained by this office pending receipt of further instructions from the Director.

Very truly yours,

Superintendent

Enclosure

CT/rb

DENVER MASS MELTS

SAMPLE	WEIGHT TROY OUNCES	ASSAY NUMBER	FINENESS GOLD	FINENESS SILVER
A	1.45			
B	1.53	1	408	127½
A	0.98			
B	1.26	2	416	127½
A	0.74			
B	1.08	3	417½	124
A	1.15			
B	1.19	4	415½	118½
A	1.12			
B	0.94	5	423½	128½
A	0.88			
B	0.47	6	412	124½
A	0.84			
B	0.74	7	407½	118½
A	0.81			
B	0.85	8	415	120½
A	0.92			
B	0.84	9	408½	124
A	0.58			
B	0.60	10	416½	125½
A	0.61			
B	0.76	11	418½	122½
A	0.36			
B	0.55	12	413½	122½
A	0.40			
B	0.51	13	408	125½
A	0.62			
B	0.61	14	413½	119½
A	0.31			
B	0.61	15	409	115
A	0.36			
B	0.70	16	411½	120
A	0.34			
B	0.62	17	419½	129½
A	0.34			
B	0.40	18	847½	102½
A	0.86			
B	0.48	19	851½	104
A	0.35			
B	0.59	20	861½	102
A	0.47			
B	0.80	21	853	106½
A	0.67			
B	0.66	22	847½	112
A	0.48			
B	0.50	23	433½	551
A	0.61			
B	0.54	24	447	539½
A	0.63			
B	0.59	25	370½	610½

SAMPLE	WEIGHT TROY OUNCES	ASSAY NUMBER	FINENESS GOLD	FINENESS SILVER
A	0.41			
B	0.51	26	889½	95½
A	0.42			
B	0.55	27	894½	92
A	0.55			
B	0.49	28	883½	98
A	0.56			
B	0.93	29	566½	194½
A	0.79			
B	0.74	30	540½	224
A	0.47			
B	0.53	31	487	102
A	0.40			
B	0.67	32	454	122½
A	0.28			
B	0.60	33	93½	815½
A	0.41			
B	0.44	34	900½	85½
A	0.52			
B	0.55	35	724½	129

CLEAN UP MELTS

SAMPLE		WEIGHT TROY OUNCES	ASSAY NUMBER		FINENESS GOLD	FINENESS SILVER
	a	0.24				
	b	0.27	Bar	17-A	367¾	130
	a	0.70				
	b	0.99		22-A	729	131
	a	0.70				
	b	0.33	Bar	25-A	409¾	567
	a	0.26				
	b	0.13	Bar	28-A	785¾	124½
	a	0.23				
	b	0.02	Bar	29-A	552	203
	a	0.18				
	b	0.13	Bar	30-A	528¾	209
	a	0.28				
	b	0.02	Bar	32-A	480	147
	a	0.37				
	b	0.04	Bar	33-A	123	740
Filings		0.07	Button	34-A	808½	
Filings		0.02	Button	35-A	564½	
	a	0.28				
	b	0.04	Final	M-36	129¾	279½

NOTES: 1. The following assay numbers showed platinum metals present:

31, 32, 33, 34, 35, 17-A, 22-A, 28-A, 32-A, 34-A, 35-A, M-36.

2. On the following samples, silver was determined on the "a" sample only due to an insufficiency of the "b" sample:

29-A, 32-A, 33-A, M-36.

3. Sample 34-A contained enough sample for only two gold determinations.

4. Sample 35-A contained enough sample for only one gold determination.

Assayer

Form 629
TREASURY DEPARTMENT
U. S. Mint Service
DULUTH- 866

ASSAYER'S REPORT

DENVER MASS MELTS

	No.	FINENESS					
		Gold		Silver		Alloy	
	1	408		127	½		
	2	416		127	½		
	3	417	¾	124			
	4	415	½	118	½		
	5	423½		128	½		
	6	412		124	½		
	7	407	¾	118	½		
	8	415		120	½		
	9	408	½	124			
	10	416	½	125	½		

Assay Office,

July 9, , 1958

Assayer.

Form 629
TREASURY DEPARTMENT
U. S. Mint Service
DULUTH- 866

ASSAYER'S REPORT

DENVER MASS MELTS

	No.	FINENESS					
		Gold		Silver		Alloy	
	11	418	¾	122	½		
	12	413	¾	122	½		
	13	408		125	½		
	14	413	½	119	½		
	15	409		115			
	16	411	¾	120			
	17	419	¾	129	½		
	18	847	½	102	½		
	19	851	¾	104			
	20	861	½	102			

Assay Office,

July 9, , 1958

Assayer.

Form 629
TREASURY DEPARTMENT
U. S. Mint Service
DULUTH-886

ASSAYER'S REPORT

DENVER MASS MELTS

	No.	FINENESS					
		Gold		Silver		Alloy	
	31	487		102			
	32	454		122	½		
	33	93	½	815	½		
	34	900	½	85	½		
	35	724	½	129			

Assay Office,

July 9, 19 58

Assayer.

Form 629
TREASURY DEPARTMENT
U. S. Mint Service
DULUTH-886

ASSAYER'S REPORT

DENVER MASS MELTS

	No.	FINENESS					
		Gold		Silver		Alloy	
	21	853		106	½		
	22	847	½	112			
	23	433	½	551			
	24	447		539	½		
	25	370	½	610	½		
	26	899	½ *	95	½		
	27	894	½	92			
	28	883	½	98			
	29	566	½	194	½		
	30	540	½	224			

Assay Office,

July 9, 19 58

Assayer.

Corrected to 889½ per N.Y. letter of 7/14/58

Form 629
TREASURY DEPARTMENT
U. S. Mint Service
MAY 1-17- 5 6 6

ASSAYER'S REPORT

DENVER CLEAN UP MELTS

	No.	Fineness					
		Gold		Silver		Alloy	
	17A	367	3/4	130			
	22A	729		131			
	25A	409	3/4	567			
	28A	785	3/4	124	1/2		
	29A	552		203			
	30A	528	3/4	209			
	32A	480		147			
	33A	123		740			
	34A	808	1/4				
	35A	564	1/4				

Assay Office,

July 9, 19 58

Assayer.

Form 629
TREASURY DEPARTMENT
U. S. Mint Service
MAY 1-17- 5 6 6

ASSAYER'S REPORT

DENVER CLEAN UP MELTS

	No.	Fineness					
		Gold		Silver		Alloy	
	M-36	129	3/4	279	1/2		

Assay Office,

July 9, 19 58

Assayer.

7/18/58

SUPPLEMENTAL GAINS COMPUTED FOR 4TH QUARTER FISCAL YEAR 1958.

(April, May, June)

		Gold Fine Ounces
1.	Home stake gold purchased at 1/4 and taken into account at 1/10 thru transfer thru M & R division -	11.051
2.	Surplus on Grains Bars (May & June) April already computed in previous report -	8.296
3.	Quarterly Recovery (4th quarter) - - - - - - - - - - - - -	3.723
	Total fine ounces -	23.070

ALP

CASH AND DEPOSITS DIVISION August 7, 1958

Final Analysis of year's business - F.Year ended 1958

Subject: Mass Melting report dated May 6, 1958 and Supplemental Report dated July 18, 1958

	OUNCES
Deposits mass melted - July 1957 thru March 1958 - - - - - -	259,601.92
Deposits received April, May, June 1958 - - - - - - - - - -	70,572.34
	330,174.26

Deposits received last quarter equal 27% of first 9 months
" " " " " 21% of entire year's deposits.

For letters in parenthesis, see report of 5/6/58

				OUNCES
(a)	Gold gains on basis of 1/10 assay (mass melting) - - - - - -			41.224 ✓
(b)	Silver loss 44.33 ounces			-
(c)	Homestake gains (9 months) - - - - - - - - -	-29.189 ✓		
	" " (4th Qr. Supp. Report) - -	11.051 ✓		40.240 ✓
(d)	Grains Bar Recoveries - (9 months) - - - -	8.719 ✓		
	" " " (4th Qr. Supp. Report) - -	8.296 ✓		17.015 ✓
(e)	Cottrell Recoveries (9 months) - - - - - -	49.539 ✓	est.	
	" " (4th Qr. Estimated) - - - -	16.513 ✓	"	66.052 ✓
	TOTAL ~~GAINS~~ GAINS CREDITABLE TO M&R FOR F.YEAR - - - - - - -			164.531
(f)	Deposit Sweeps - D-1-58 - - - - - - - - -	90.871 ✓		
	" " D-2-58 - - - - - - - - -	68.763 ✓		159.634 ✓

NOTE: These sweeps contain SILVER 218.11
165.15
Total ounces silver 383.26

(g)	Quarterly Recoveries DMR -(9 months) - - -	7.985 ✓		
	" " (4th Qr.) Supp. Report - -	3.723 ✓		11.708 ✓
	Total gains to Government - F. Year 1958 - - - - - - - - - - - - -			335.873 Gold

41
294

A. L. Phillips
Head, Cash & Deposits Division

8/8/58

CASH AND DEPOSITS DIVISION

Grains Bar #1 - July 1958

	Weight Per Book	Actual Weight
Homestake Grains	3.03	3.37
Regular Grains	26.58	27.03
Coins	.26	.26
Chr.Exp.#8 & 9 Grains		.21
	29.87	30.87

Gold & Silver Content:	Gold	Silver
CE-1 - - - Homestake	3.334	0
CE-2 - - - Regular	10.915	9.43
	14.249	9.43
K-1 - - - K.Grains	8.972	4.03
	23.221	13.46
Actual Gold & Silver content Grains Bar #1 (final)	22.679	13.16
	542	
Needed by M & R: (Chgd. to Cash & Dep. Div.)	13.416	9.39
Surplus recovery (Cr.M & R)	+ 9.263	+ 3.77

OFFICE OF
THE SUPERINTENDENT
U. S. ASSAY OFFICE
32 OLD SLIP

TREASURY DEPARTMENT

UNITED STATES MINT SERVICE

NEW YORK 5, N. Y.

RECEIVED
JUL 11 1958
OFFICE OF
SUPERINTENDENT
U. S. MINT AT DENVER

July 10, 1958

Mrs. Alma K. Schneider
Superintendent
United States Mint
Denver 2, Colorado

Dear Madam:

In compliance with instructions received in letter from the Director of the Mint dated May 23, 1958 assays have been completed on samples of mass melts forwarded by your office on May 29, 1958 and referred to in your letter dated June 5, 1958.

Assay reports and other data submitted by Mr. Howard F. Johnson, Assayer of this office are enclosed.

Residues of such samples will be retained by this office pending receipt of further instructions from the Director.

Very truly yours,

Superintendent

Enclosure

CT/rb

Form 629
TREASURY DEPARTMENT
U. S. Mint Service
MAY 1958 586

ASSAYER'S REPORT

DENVER MASS MELTS

	No.	FINENESS					
		Gold		Silver		Alloy	
	11	418	½	122	½		
	12	413	½	122	½		
	13	408		125	½		
	14	413	½	119	½		
	15	409		115			
	16	411	½	120			
	17	419	½	129	½		
	18	847	½	102	½		
	19	851	½	104			
	20	861	½	102			

Assay Office,

July 9, 1958

Form 629
TREASURY DEPARTMENT
U. S. Mint Service
MAY 1958 586

ASSAYER'S REPORT

DENVER MASS MELTS

	No.	FINENESS					
		Gold		Silver		Alloy	
	1	408		127	½		
	2	416		127	½		
	3	417	½	124			
	4	415	½	118	½		
	5	423	½	128	½		
	6	412		124	½		
	7	407	½	118	½		
	8	415		120	½		
	9	408	½	124			
	10	416	½	125	½		

Assay Office,

July 9, 1958

Form 629
TREASURY DEPARTMENT
U. S. Mint Service
MAY 1958 586

ASSAYER'S REPORT

DENVER MASS MELTS

	No.	FINENESS					
		Gold		Silver		Alloy	
	21	853		106	½		
	22	847	½	112			
	23	433	½	551			
	24	447		539	½		
	25	370	½	610	½		
	26	899	½	95	½		
	27	894	½	92			
	28	883	½	98			
	29	566	½	194	½		
	30	540	½	224			

Assay Office,

July 9, 58

Form 629
TREASURY DEPARTMENT
U. S. Mint Service
MAY 1958 586

ASSAYER'S REPORT

DENVER MASS MELTS

	No.	FINENESS					
		Gold		Silver		Alloy	
	31	487		102			
	32	454		122	½		
	33	93	½	815	½		
	34	900	½	85	½		
	35	724	½	129			

Assay Office,

Form 629
TREASURY DEPARTMENT
U. S. MINT SERVICE
MAY 1936

ASSAYER'S REPORT

DENVER CLEAN UP MELTS

	No.	FINENESS					
		GOLD		SILVER		ALLOY	
	M-36	129	½	279	½		

Assay Office,

July 9, 1936

Assayer.

Form 629
TREASURY DEPARTMENT
U. S. MINT SERVICE
MAY 1936

ASSAYER'S REPORT

DENVER CLEAN UP MELTS

	No.	FINENESS					
		GOLD		SILVER		ALLOY	
	17A	367	½	130			
	22A	729		131			
	25A	409	½	567			
	28A	785	½	124	½		
	29A	552		203			
	30A	528	½	209			
	32A	480		147			
	33A	123		740			
	34A	808	½				
	35A	564	½				

Assay Office

SAMPLE	WEIGHT TROY OUNCES	ASSAY NUMBER	ASSAYS GOLD	ASSAYS SILVER
A	0.41			
B	0.51	26	889½	95½
A	0.42			
B	0.55	27	894½	92
A	0.55			
B	0.49	28	883½	98
A	0.56			
B	0.93	29	566½	194½
A	0.79			
B	0.74	30	510½	224
A	0.47			
B	0.53	31	487	102
A	0.40			
B	0.67	32	454	122½
A	0.28			
B	0.60	33	93½	81.5½
A	0.41			
B	0.44	34	900½	85½
A	0.52			
B	0.55	35	724½	129

DENVER MASS MELTS

SAMPLE	WEIGHT TROY OUNCES	ASSAY NUMBER	FINENESS GOLD	FINENESS SILVER
A	1.45			
B	1.53	1	408	127½
A	0.98			
B	1.26	2	416	127½
A	0.74			
B	1.08	3	417½	124
A	1.15			
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A	1.12			
B	0.94	5	423½	128½
A	0.88			
B	0.47	6	412	124½
A	0.84			
B	0.74	7	407½	118½
A	0.81			
B	0.85	8	415	120½
A	0.92			
B	0.84	9	408½	124
A	0.58			
B	0.60	10	416½	125½
A	0.61			
B	0.76	11	418½	122½
A	0.36			
B	0.55	12	413½	122½
A	0.40			
B	0.51	13	408	125½
A	0.62			
B	0.61	14	413½	119½
A	0.31			
B	0.61	15	409	115
A	0.36			
B	0.70	16	411½	120
A	0.34			
B	0.62	17	419½	129½
A	0.34			
B	0.40	18	847½	102½
A	0.86			
B	0.48	19	851½	104
A	0.35			
B	0.59	20	861½	102
A	0.47			
B	0.80	21	853	106½
A	0.67			
B	0.66	22	847½	112
A	0.48			
B	0.50	23	433½	551
A	0.61			
B	0.54	24	447	539½
A	0.63			
B	0.59	25	370½	610½

CLEAN UP MELTS

SAMPLE		WEIGHT TROY OUNCES	ASSAY NUMBER		FINENESS GOLD	FINENESS SILVER
	a	0.24				
	b	0.27	Bar	17-A	367⅔	130
	a	0.70				
	b	0.99		22-A	729	131
	a	0.70				
	b	0.33	Bar	25-A	409⅔	567
	a	0.26				
	b	0.13	Bar	28-A	785⅓	124½
	a	0.23				
	b	0.02	Bar	29-A	552	203
	a	0.18				
	b	0.13	Bar	30-A	528⅓	209
	a	0.28				
	b	0.02	Bar	32-A	480	147
	a	0.37				
	b	0.04	Bar	33-A	123	740
Filings		0.07	Button	34-A	808⅓	
Filings		0.02	Button	35-A	564⅓	
	a	0.28				
	b	0.04	Final	M-36	129⅔	279½

NOTES:

1. The following assay numbers showed platinum metals present:

   31, 32, 33, 34, 35, 17-A, 22-A, 28-A, 32-A, 34-A, 35-A, M-36.

2. On the following samples, silver was determined on the "a" sample only due to an insufficiency of the "b" sample:

   29-A, 32-A, 33-A, M-36.

3. Sample 34-A contained enough sample for only two gold determinations.

4. Sample 35-A contained enough sample for only one gold determination.

_____

Assayer

Grains	Book Weight	Book Gold Ozs.	Book Silver Ozs.	Actual A.M. Wt.	Actual Gold Ozs.	Actual Silver Ozs	Gain (+) or Loss (-) Gold	Gain (+) or Loss (-) Silver
March 1958								
Homestake	2.30	2.293	-	2.42	2.329	.04	+.036	+ .04
Misc.	23.86	9.121	7.85	39 oz	17.168	12.85	+.235	- .61
Coin	8.68	7.812	-					
Feb. Carryover	6.25	-	5.61					
	41.09	19.226	13.46	41.44	19.497	12.89	+.271 (+.255 per M+R grains calc.)	- .57
Gain		+ .271	- .57					
		19.497	12.89					
Apr. 1 1958								
Homestake				3.60	3.552	-		
Misc.				18.04	8.767	3.07		
Total		12.182	3.48	21.64	12.319	3.07	+.137	- .41
May 1958								
Homestake	8.14	8.119		8.36	8.203	.09	+ .084	.09
Misc	49.88	12.835		50.43	12.335	24.41	- .500	
Total		20.954	24.86	58.79	20.538	24.50	- .416	- .36
	(Cashier	19.909)						
June 1958								
Homestake	2.78	2.771	-		2.970		+ .199	
Misc.	19.13	6.547	8.37		7.422		+ .875	+ .11
Total	21.91	9.318	8.37		10.392	8.48	1.074	
	(after consolidation)				10.238	8.55	+ .920	+ .18
July 1958								
Homestake	3.03	3.020	-		3.334	-	+ .314	-
Misc	26 84	10.396	9.39		10.915	9.43	+ .519	+ .04
	29.87	13.416			14.249		.833	

WESTERN UNION

TELEGRAM

KB373 SA274

S WA115 GOVT PD-WUX WASHINGTON DC 29 143PME
SUPERINTENDENT, UNITED STATES MINT- 1958 Aug 29 PM 12 23
COLFAX & DELAWARE STS DVR-

MERRILL HEREBY DIRECTED TO BRING WITH HIM ALL OR A SUFFICIENT PORTION OF THE SAMPLES REPRESENTING EACH OF THE THIRTY-FIVE MASS MELTS. HE TO RETAIN CUSTODY AND CONTROL OF SUCH SAMPLES DURING CONFERENCE AND FINALLY RETURN THE RESIDUE TO DENVER PERSONALLY OR BY SEALED PACKAGE SHIPMENT-

DIRECTOR OF THE MINT

September 19, 1958

Mr. Frederick W. Tate
Chief Accountant
Bureau of the Mint
Treasury Department
Washington, D. C.

Dear Mr. Tate:

You are hereby appointed Chairman of a committee to release gold bullion from joint seal at the Denver Mint, and to review deposit receiving procedures at that institution. The members of your committee are Messrs. Philip B. Heisser, Gunnar C. Wiggen and Albert H. Norman. The committee is requested to begin its work at the Denver Mint on September 29, 1958.

The committee, in consultation with Denver officials, will select various types of deposit metal to be released from joint seal for mass melting. Bars not usually subject to mass melting will also be released for melting and assaying, and individual bars and/or melts, will be selected at random for test weighing. The committee will determine the extent of mass melting and test weighing which should be performed at this time. Careful consideration should be given to the additional information which would be obtained by shipping unparted bullion to New York for melting and assaying, and processing through the electrolytic refinery. Since Denver has not issued fine gold for some time, consideration might also be given to shipping fine gold bars to New York for issue to the Federal Reserve Banks, and for sales to the trade. If time permits, values released by the committee may be re-delivered for joint-sealing, and compartments which have been opened will be placed under joint-seal.

Assays will be reported by the assayer in accordance with the policy statement which is currently being issued to the Denver Mint. Samples will be sent to the New York Assay Office for check assay. The committee is requested to review the assay reports from both institutions, with the Denver Assayer, giving consideration to the requirements of the policy statement.

The committee is requested to discuss and review the practices and procedures followed in connection with the over-all problem of receiving, weighing and assaying deposits. Attention should be given to the

general policies that have been followed at the Denver Mint in receiving, weighing and assaying deposits and inquiry should be made regarding any changes in policies which have been effected during recent years. In its review, the committee is requested to obtain all possible information on this subject which might lead to necessary or desirable changes in Mint regulations.

Very truly yours,

Director of the Mint

CC * Denver

REPORT OF CONFERENCE
AT NEW YORK ASSAY OFFICE ON ASSAYS ON DENVER MASS MELTS

A conference was held at the New York Assay Office during the period from September 3 to 5, 1958, for the purpose of discussing differences in assays reported by the Denver Mint and the New York Assay Office on 35 Denver mass melts. The conferees were as follows: Messrs. Johnson and Lovisek of the New York Assay Office; Mr. Merrill of the Denver Mint; and Messrs. Meisser, Tate and Wiggan from the Office of the Director of the Mint.

Reasons for the Conference

In February of 1958, discussions were held at the Denver Mint by Mrs. Schneider and Mr. Reddish, with Messrs. Boley and Meisser regarding the opening of the Denver refinery. During the course of these discussions, considerable attention was given to the related problem of receiving, weighing and assaying deposits. Mr. Reddish stated, in part, that the coinage laws and the Mint regulations left much to be desired on the latter subject, with regard to setting forth clear intent on the subject of wastage. He pointed out that the word wastage appeared both in the statutes and in the Mint Table of Charges, in connection with charges to be assessed in connection with gold transactions between the Mint and depositors. He said that, in the absence of specific clarification from the Director, one interpretation would be that the coinage law called for the collection of charges for wastage incurred in refining deposits as a part of the P and R charge; and that if such were the case, the Government had already been paid for such wastage. He further stated that the Melter and Refiner was subsequently protected by the "one ounce per thousand" statutory wastage provision for bullion received by him during the course of any fiscal year.

Messrs. Boley and Meisser took the opposite position, stating that if the assayer exercised his judgment properly so as to protect the United States in reporting low grade deposits, it was inevitable that such exercise of judgment would protect the Government against losses in refining such deposits.

Following these discussions, Denver deposits were mass melted and samples were sent to the New York Assay Office for check assay. On 35 mass melts weighing 256,687 gross ounces, Denver reported 136,457 fine ounces of gold, whereas, New York reported 136,381 fine ounces of gold; a net difference of 76 ounces, (there was also a difference on silver).

Interpretation of Law

Mrs. Davidson, Legal Assistant to the Director of the Mint, has made an extensive analysis of the laws and regulations pertaining to the weighing and assaying of deposits of gold and silver bullion received at the Mint. This review included the Act of 1837, the Act of 1873, Mint regulations during that period with appropriate revisions from time to

time, reports by former Mint head assayers on the subject and testimony of Mint officials before Congressional committees. Briefly stated, the law requires the Mint to pay only for the amount of gold that can be recovered in refined form.

Discussion at Conference

Mr. Meisser opened the meeting by stating that as a result of the differences in the finenesses of the Denver mass melts, as reported by the Denver and New York assayers, the Director felt it was necessary to meet and discuss the assay practices at each institution and to determine the reasons for the differences in reporting the assays. Mr. Meisser pointed out that it was a well-known fact that assays on low-grade gold bullion are not absolutely accurate, and that repeated assays of the same sample will produce different results. It is therefore the duty of the assayer to exercise his judgment in reporting assays in a manner which, when making payment for a deposit, will result in the purchase of only such amount of bullion as can be recovered without loss by the Mint's refining process.

A discussion then followed as to the best approach to the problem. Mr. Merrill suggested that samples from the five melts showing the greatest differences be reassayed. This was agreeable to all concerned. Samples of the five melts were taken from material brought by Mr. Merrill and assayed. Material from the original Denver samples forwarded to New York were reassayed.

The assay determinations reported for the samples brought by Mr. Merrill, and the reassay of the original New York samples, showed no significant differences and closely checked the finenesses as originally reported by the Denver assayer. This indicated that the assay practices at both institutions were valid.

At this point Mr. Merrill indicated that the results of the check assays vindicated his position in that when reported at the average finenesses both sets of assays would check very closely. He also stated that it was his practice to report the average without any adjustment whatsoever. The New York assayer also indicated that he was reporting the average which naturally brought up the question as to why the original finenesses reported by New York differed from the results obtained by the reassay of the same samples. In order to obtain an answer to this question, the weighers working papers of both institutions were reviewed. This was revealing in that it showed that the weigh-backs recorded by the New York weighers included the proof correction, whereas the weigh-backs at Denver were without correction for proof, that correction being applied later. It was noted that the weigh-backs recorded supported the finenesses reported by both institutions. In view of the results obtained by the reassay, it was apparent that New York had applied the proof correction differently in the case of the original assays as compared with the reassays. This led us to the conclusion that New York was using the proof

result in a loss. (The conclusion of Mr. Schiercke was later confirmed by Mr. Boley, former Superintendent of Melting and Refining at San Francisco, with whom this matter was also discussed. Mr. Boley stated further that when he operated the San Francisco refinery, he noted that the assays of bullion transferred from Seattle indicated that the assayer at Seattle had exercised his judgment in a manner which made it possible to refine such bullion without loss).

In discussions regarding our conclusion on this problem, Mr. Merrill indicated that he would appreciate receiving a policy statement from the Director of the Mint, outlining the Bureau policy on reporting assays on bullion deposits. Such a policy statement would provide authority for changing the assaying procedures at the Denver Mint.

Recommendations

In view of the findings and conclusions reached as a result of the conference, we make the following recommendations:

(1) A policy statement should be issued by the Director of the Mint clearly setting forth the proper interpretation of laws relating to the receipt of deposits and reporting of assays.

(2) The Denver mass melts should be melted and reassayed in accordance with the stated policy of the Director.

(3) A committee should be appointed and sent to Denver to release bullion from joint seal for the purpose of mass melting deposits of prior years, as well as deposits of the current year, and to review deposit receiving procedures. Assays should be reported in accordance with the policy statement to be issued. Samples of the mass melts should be sent to other Mint institutions for check assay. Check assays should also be obtained from other Mint institutions on deposit bars which are not customarily mass melted.

(4) After assays from the various institutions have been received, the results will be reviewed by the committee in the light of the policy enunciated by the Director.

(5) The committee should also be sent to San Francisco for the purpose of mass melting and test assaying of deposit metal at that institution along the same lines as proposed for the Denver Mint. (Since Philadelphia deposits are sent to New York periodically, it is not recommended that a similar check be made at that institution at this time.)

(6) A procedure should be established to assure continuing conformance with the proper deposit receiving policy.

September 15, 1958

GCW:F:T:MA

TREASURY DEPARTMENT

WASHINGTON 25

OFFICE OF
DIRECTOR OF THE MINT

IN REPLYING QUOTE INITIALS

September 19, 1958

Superintendent
United States Mint
Denver, Colorado

Dear Madam:

Enclosed for your information is a copy of my letter of today's date, regarding appointment of a committee to release gold bullion from joint-seal, at your institution, for mass-melting, weighing, etc.

I am confident that you and your staff members will give full cooperation to this project.

Very truly yours,

Director of the Mint

Enclosure

September 23, 1958

AIR-MAIL

Director of the Mint
Washington, D. C.

Dear Sir:

We have received your letter of September 17 transmitting a report of the New York conference on assays, prepared by representatives of your office.

You do not ask us to comment. The matter of the Refinery failure in 1955 has become the subject of very controversial correspondence. We do not wish to heighten the controversy.

Briefly stated our position is: (1) If the Denver deposits processed in the Refinery in 1955 had been subjected to the assay "allowances" now suggested, they would have made up for only a fraction of the gold lost during that run. In other words, the reason for the Refinery loss of 1955 remains a mystery. (2) We do not believe that the allowances proposed can be defended upon legal, scientific, logical or ethical grounds.

We should be glad to submit any further statement of our views that you would care to have.

Very truly yours,

Superintendent

RECEIVED
SEP 25 [redacted]
OFFICE OF
SUPERINTENDENT
MINT AT DENVER

TREASURY DEPARTMENT

WASHINGTON 25

OFFICE OF
DIRECTOR OF THE MINT

IN REPLYING GIVE INITIALS

September 23, 1958

Superintendent,
United States Mint,
Denver 2, Colorado.

Dear Madam:

Enclosed is a copy of my letter to the Assayer setting forth the requirements that should be observed in connection with the receiving and weighing of gold and silver deposits.

Very truly yours,

Director of the Mint.

Enc.

September 23, 1958

Mr. Richard Merrill,
Assayer,
United States Mint,
Denver 2, Colorado

Dear Sir:

In view of the fact that several of the Assayers at Mint field establishments are recent appointees, I requested the staff to review official Congressional, Treasury, and Mint reports, documents, and files relating to the preparation and passage of the Mint Act of 1873, subsequent statutes, and changes in the Mint Regulations, relative to receipt and handling of deposits.

I enclosed the report compiled, entitled "Origin and Effect of Legal Provisions governing Payments and Charges to Depositors, and Operative Wastages". This report reveals the clear intent of the Congress, and the continuing practice in the administration of the laws from 1873 to the present.

This review confirms that the laws intended to and do provide that necessary wastage of precious metal, incurred in refining a deposit, be borne by the depositor at the time of and in connection with the evaluation of the deposit for payment.

Therefore:

> The Assayer is required to exercise judgment in evaluating determinations made on deposit samples, prior to establishing the assay figure to be reported as a basis for payment, so as to insure that no refining loss shall subsequently be borne by the government. In other words, the Assayer shall not report more gold and silver than can be recovered in the form of fine or coin bars; to do so would result in overpayment to the depositor, and loss to the government.
>
> The Assayer shall recognize that he must likewise prevent the over-evaluation of semi-refined or partially processed intermediate products of the Mint's refining operations, such as mass melts, black gold melts, or any other melt requiring further processing.

Very truly yours,

Director of the Mint

CC: Mrs. Alma K. Schneider,
Supt., U. S. Mint, Denver

COPY

ORIGIN AND EFFECT OF LEGAL PROVISIONS GOVERNING PAYMENTS AND CHARGES TO DEPOSITORS AND OPERATIVE WASTAGES.

Section 15 of the January 18, 1837 Act provided that when bullion was deposited for coinage it should be weighed by the Treasurer and receipt given "provided, that when the bullion is in such a state as to require melting before its value can be ascertained, the weight after melting shall be considered as the true weight of the bullion deposited."

Section 19 of the Act of 1837 provided that from the report of the assayer, and the weight of the bullion, the Treasurer "shall estimate the whole value of each deposit, and also the amount of the charges or deductions if any;##"

Section 23 stated that "##the Melter and Refiner shall be debited with the standard weight of all the bullion placed in his hands, that is to say, with the weight of metal of legal standard fineness which it will make##".

At the time of enactment, payment for deposits was made in coin of the same metal as the deposit, that is, gold coins for a gold deposit, silver coins for a silver deposit, and both gold and silver, if both metals were present in the deposit. The Treasurer had "estimated the whole value of the deposit", expressed as "so many gross troy ounces of standard metal", in each case. The Treasurer did not return more precious metal to the depositor than could subsequently be produced in the form of "good coin bars" from the deposit, in subsequent Mint operations thereon. In 1837, it was comparatively simple to "estimate the whole value of each deposit", since most of the bullion being then deposited was in the form of foreign gold coin, the remainder containing, for the most part, good copper base only.

However, shortly before 1870, base bullion, derived chiefly from the region then commonly known as "the base metal region of Nevada" and later from Utah, began to be delivered to the mints. During the years between 1870 and 1862 the amount of this base bullion vastly increased.

Settlement of the accounts of the Melter and Refiner at Philadelphia in the Spring of 1872 showed a waste of silver in excess of that tolerated by law. Secretary of the Treasury Boutwell appointed Dr. H. R. Linderman, a former Director of the Philadelphia Mint, and soon to become the first Director of the Mint after the establishment of the Bureau, and Professor Robert E. Rogers as a Committee to investigate the cause.

Their report, dated July 25, 1872, and printed, pointed out in the first place, that the wastage was not due to dishonesty or incapacity or defectiveness in the processes employed, but that it had been caused by the

condition of the metals used. They conducted extended experimental tests and an examination into the system of accounting to the depositor and between the Mint at Philadelphia and the Assay Office at New York, as well as the usage at each place in the matter of allowance deductions in the different weighings of bullion. The Committee stated that the base bullion being received was difficult to manipulate, that this was manifested in the deposit melting and in the assay department, "embarrassing the accuracy of the assay***." They established that at Philadelphia the first operation was simply to melt the deposit for the purpose of rendering it homogeneous in order that the granulation taken for assay might represent the average fineness. Very little purification of the base bullion was accomplished and consequently the Melter and Refiner necessarily received the bullion with a large proportion of its impurities. "To suppose that the amount of fine metal indicated by the assay represents the amount which the Melter and Refiner can actually obtain from it without wastage is an error; this we have conclusively determined." They stated that because of the impurities in this bullion a greater wastage must of necessity be incurred by the Melter and Refiner than before the period when this class of bullion came to be operated on.

However, "at the New York Assay Office the Melter and Refiner of that office, acting as the operative officer of the Treasurer in the deposit melting-room, subjects the same kind of base bullion to which we have alluded to a more severe ordeal, for the elimination of base metals, than the simple melting with a protective covering of charcoal, as is done in the deposit melting room at the Philadelphia Mint. As a consequence, the bars transferred from that office to the Treasurer of the Mint, and by that officer to the Melter and Refiner, are purer than those which are turned out from the deposit melting-room of the Mint; the former being for the most part regarded as in suitable condition for transmission to the Mint, only requiring the proper amount of fine silver to be added to bring them to the standard for coinage.

"It is thus seen that at the New York Assay Office, a partial, if not complete, refining is performed upon a portion of the base bullion before it is credited to the depositor and charged to the Melter and Refiner of that office. The wastage accordingly falls on the depositor and not on the Melter and Refiner, whereas, at the Philadelphia Mint so small an amount of the impurities are removed in the deposit melting-room, that the wastage falls little upon the depositor, and principally upon the Melter and Refiner."

They pointed out that great care appeared to have been taken at the Assay Office in weighing parcels of bullion to prevent the Melter and Refiner being charged with anything but the actual bullion. For this purpose deductions were made which the commission considered quite necessary and proper. They said, however, that this practice did not appear to have been observed at Philadelphia, the Treasurer of that institution regarding Section 15 of the 1837 Act as requiring him to credit the depositor with

the actual weight of the bullion after the deposit melt.

One of the recommendations of the commission was that the Melter and Refiner should supervise and direct the mode of melting deposits in the deposit melting room with a view to the elimination of such substance as might cause undue loss, as well as deteriorate the quality of the resulting bullion, and that he should be empowered to require assays and reports on the nature and approximate quantities of foreign matters.

The Mint bill, which was to become the Act of February 12, 1873, was then before the Congress. It had been compiled in the Treasury Department, largely by John Jay Knox, Deputy Comptroller of the Treasury, with voluminous correspondence and consultations with Mint officials, past and present, and all other persons known to be conversant with the processes of coinage. The proposed bill had been transmitted on the 25th of April, 1870 by the Secretary of the Treasury to the Senate of the United States, and contained as Section 22 the identical provisions of Section 15 of the 1837 Act. However, on February 3, 1872, the Secretary of the Treasury had recommended to the Committee on Coinage that an amendment be made by striking out all after "provided" and inserting "That the fitness of the bullion to be received, and the mode of melting previous to assay shall be subject to the decision of the Melter and Refiner or Assayer."

This section, as enacted in 1873, contained the following proviso,"that when the bullion is in such a state as to require melting, or the removal of base metals, before its value can be ascertained, the weight, after such operation, shall be considered as the true weight of the bullion deposited. The fitness of the bullion to be received shall be determined by the assayer, and the mode of melting by the melter and refiner."

On April 9, 1872, Mr. Hooper of Massachusetts, in discussing the bill in the Congress had stated in regard to this section, "It provides that the fitness of the bullion to be received shall be determined by the Assayer, and the mode of melting by the melter and refiner. ***These provisions seem necessary for the protection of the government."

The final wording of the section is obviously the result of the investigations made by Messrs. Linderman and Rogers since it embodies their recommendations.

In a letter dated February 26, 1873, (two weeks after the passage of the 1873 Act), to the Director of the Mint at Philadelphia, the Secretary of the Treasury stated:

"It is desirable that the refining of bullion containing base metals of character or proportion rendering it unsuitable to be credited to the depositor without deduction for loss in refining, should be done as far as practicable in connection with deposit melting, and this for the reason

that the 25th section of the new law requires the ordinary wastage incident to the operation of bringing bullion to standard condition, to be included in the estimate of charges to be paid by the depositor."

Section 25, referred to in this letter, provided as follows: "That the charge for converting standard gold bullion into coin shall be one fifth of one per centum; and the charges for converting standard silver into trade-dollars, for melting and refining when bullion is below standard, for toughening when metals are contained in it which render it unfit for coinage, for copper used for alloy when the bullion is above standard, for separating the gold and silver when these metals exist together in the bullion, and for the preparation of bars, shall be fixed, from time to time, by the Director, with the concurrence of the Secretary of the Treasury, so as to equal but not exceed, in their judgment, the actual average cost to each mint and assay office of the material, labor, wastage, and use of machinery employed in each of the cases aforementioned."

The operations required to bring good bullion (that containing little base other than copper) to standard condition were:

1. Separating the gold and silver, (by means of acid parting) when these metals existed together in the bullion.

2. Alloying to the standard coinage composition, and casting into coin bars.

The ordinary wastage, to which the Secretary referred in his letter, was the wastage incurred in parting, alloying, and casting into coin bars.

The refiner, under the 1837 Act, was charged only with the weight of standard metal which the deposit would make. The refining wastage, therefore, was borne by the depositor, and the M & R wastage covered only that incurred in parting, alloying and making coin bars. Because of technical improvements in those processes, the legal limit of wastage was reduced in the draft bill presented to the Congress in 1870. Had it been the intent of the officials who drafted the bill or the Congress which considered it to include in the Melter and Refiner's wastage allowance losses incurred in refining deposits to remove base metals, a request would certainly have been submitted, after the extent of these losses had been determined by Dr. Linderman and Professor Rogers, that this allowance be increased rather than diminished. Instead the provision contained in the draft was allowed to stand.

The 1874 Mint Regulations, in carrying out the provisions of Section 22 of the 1873 Act, provided that the Melter and Refiner should

supervise and direct the mode of melting deposits in the deposit melting room and that the weight after melting and deduction should be that with which the depositor should be credited, and the Melter and Refiner charged, by the Superintendent. The Melter and Refiner was also empowered to call upon the Assayer before and during the operations of melting to make any examinations necessary to determine the gold and silver and the character and approximate quantities of foreign substances associated with them. Weight deductions were allowed as "compensation for unavoidable loss in fitting bullion for deposit". Specific percentages of weight deductions on certain types of bullion were set forth in the regulations. However, in addition, the Melter and Refiner was authorized to make just and proper deductions on base gold bullion. It was stated that the object of these regulations was "to protect the Government against the loss which it would sustain by crediting the depositor with the full weight of gold and silver bullion containing base metals other than copper." These deductions were undoubtedly authorized as a practical matter instead of fire refining in the deposit melting room as suggested by the Secretary since the continuing of fire refining operations in the course of the melting of a deposit, to the extent necessary to produce refined but unparted bullion "suitable for coinage", gave excessively high volatile and slag losses of gold and silver, borne by the depositor. On the other hand, the wastage incurred in operations on such bullion in the refinery was not as large for the reason that these processes largely consisted of acid parting rather than fire refining. This was to the advantage of the depositor.

The history of Section 22 of the 1873 Act establishes clearly that the wastage allowance of the refiner, which was reduced by the same Act below that of the 1837 Act, was not intended to cover losses incurred because of the impurities contained in low grade bullion, but only the ordinary wastage incurred in processing previously refined unparted bullion, through the operations of parting, alloying, and making of coin bars.

The interpretation of the pertinent sections of the 1873 Act, made at the time of its enactment by the persons who had been responsible for the drafting of the Act itself, would seem to be governing. This interpretation was concurred in and followed by succeeding directors.

In the Director's Report for 1880, (P.13) the Director (Horatio C. Burchard) says in regard to the San Francisco Mint: "I made careful inquiry into the unusual wastage of the melter and refiner, and found upon examination of the character of the deposits and a comparison of the fineness of the bullion of the last with the preceding years that the amount of low grade and refractory bullion had largely increased without any deduction having been made from the weight of the deposit for the protection of the government, as authorized by the instructions.

"I directed that hereafter deductions should be made on unusually base deposits of gold or silver sufficient to cover the probable and unavoidable loss on such bullion." The wastage was $5,258.82 in gold and $21,706.69 in silver, with a $16,973.88 loss on sale of sweeps.

In the report for 1881, in commenting on wastages at San Francisco which, although far within the legal limits, were heavier than the usual loss, the same Director stated (P.12): "The melter and refiner's wastage at the San Francisco Mint can, in part, be accounted for by greater deposits during the year of brittle, fine gold bars and unrefined gold bullion, containing refractory and volatile base metals, in the elimination of which loss of gold is a frequent, if not a necessary, consequence. How far this cause has operated to produce the wastage of that mint is under consideration; but, as yet, sufficient examination and analysis have not been made of the records and transcripts obtained for a comparison of the character of the deposits and the methods of weighing, assaying, and reporting the fineness of gold bullion, with those of previous years and of other mints and assay offices." This wastage was 40% of the legal limit, $1,229 in gold and $2,498 in silver.

The 1885 Director's Report (James P. Kimball) contains a report from E. O. Leech, Computer of Bullion in the Director's office (who later became Director) concerning a surplus of bullion at San Francisco which, he stated, arose in part from very careful and economical working of the precious metals and from allowing deductions made from base deposits. He said that in addition to the specified deductions on certain silver deposits "Deductions are also made for his benefit on base gold deposits, not according to any regular schedule but from a personal inspection by the Melter and Refiner of the deposit, after the Assayer has reported the base metal contained." 3/

However, in 1887, Mr. Kimball took exception to the practice of allowing deductions. Director Kimball then felt that the allowances on entries of bullion were not uniform in the mints and he stated: "In the course of comments in the present report on the same subject--that is, of gains in the operations of melting and refining, in which an operative loss, provided for by law in the form of a legal allowance for wastage, is essential to the process employed--occasion was taken to point out the prevalence, at more than one of the mints, of a practice not sanctioned by law, namely, of including in allowances on bullion (deposited or received on purchases) for mechanical impurities such as sandage and moisture, a margin sufficient also to cover metallurgical losses, especially such as unavoidably arise from volatilization in the case of silver, and to a minor extent in the case of gold when alloyed with certain volatile metals."

3/ The surplus was 1500.667 ounces of gold, 5,212.05 silver.

Mr. Kimball was, as has been demonstrated, wrong, and he was dissuaded from his position, for the 1888 Regulations issued by him continued the provisions for deductions, as did those issued in 1890 by Edward O. Leech who then had become the Director. Under these Regulations, the Melter and Refiner at any of the coinage mints or the Assay Office at New York, if he had grounds for questioning the fineness of any deposit which was reported by the Assayer, could report the circumstances to the Superintendent who was to reorder an assay of the deposit and prescribe precautions for verification. These Regulations also contained provisions for deduction for "unavoidable loss in the removal of base metal". 4/

In the 1908 Regulations, while deductions in weight were still allowed, they were to be made only in extreme cases of bars carrying base metals, where "after melting they show specific adhesions of foreign substances that can not be removed by hammering, brushing, or other methods of cleaning."

The Table of Charges, effective March 1, 1908, however, states, in item 4 "Charges under this head must be imposed as prescribed in Section 1, Article 6, of Rules and Regulations governing Mints and Assay Offices taking effect March 1, 1908." Article 6, of these Regulations, headed "Extra Charges" referred to base gold or silver bullion containing certain substances "in amounts sufficient to make it impossible to obtain a satisfactory assay" and required that the bullion, at the discretion of the superintendent, be subject to an additional charge equal to the cost to the government for remelting and retreating "by the deposit melter". Obviously the weight of such deposits was reported after they had been remelted and retreated, so that the loss of metals inherent in the remelting was borne by the depositor. This is emphasized by another sentence in Article 6: "This cost shall embrace labor, fuel, and chemicals, a memorandum of which shall be furnished the Assayer, who will add the amount as an item in his report of the ordinary charges".

The July 1, 1910 Table of Charges contains the following paragraph: "Bullion containing one or more of the following substances, viz: Iron, lead, antimony, bismuth, tin, arsenic, zinc, or sulphur, in amounts sufficient to make it impossible to obtain a satisfactory assay, shall, at the discretion of the superintendent, be subject to an additional charge equal to the cost to the Government for remelting and treatment by the deposit melter".

In 1915, this provision covered all deposits which failed to give "concordant assays", and required the return to the depositor of impure deposits which failed to give concordant assays on the second melting.

4/ The 1888 gain at San Francisco was 1,103 ounces gold, 1,216 ounces silver; In 1889 it was 461 gold gain, silver loss 161 ounces; 1890 gold gain 638 ounces, silver gain 222 ounces; 1891, gold gain 806 ounces, silver gain 1,575 ounces.

The formal deductions in weight allowed by the regulations were abandoned as such in 1947 because of experience gained in operating upon bullion containing base metals. The Assayers, in reporting their assays on materials which would show a loss in refining, make compensation through the exercise of their judgment. The current Table of Charges, however, continues the provision for remelting deposits in the deposit melting room and all deposits requiring "excessive treatment" are subject to extra charges.

The Assayers in charge of the small offices, who had no statutory wastage allowance and whose bullion was forwarded to another office, were careful, in reporting assays, that the credit given to the depositor would not exceed that which the mint would give to them. This was explained to a Congressional Committee by the Honorable George E. Roberts, then Director of the Mint on May 11, 1911 as follows:

"MR. ROBERTS. If there is a gain, it accrues to the Government; but the differences are slight, and they commonly offset each other. Usually in the course of a year the assay office will come out ahead, because the assayer in charge of that institution will not allow himself to be short. He takes care of himself and sees to it that he is on the safe side.

MR. GARRETT. The responsibility rests on him?

MR. ROBERTS. Yes, sir; if he paid out more money than this bullion amounted to when it reached the mint he would be short in his accounts.

MR. GARRETT. Then the loss would fall on him?

MR. ROBERTS. Yes, sir.

THE CHAIRMAN. He is instrumental in fixing the value of the bullion and is responsible for it.

MR. ROBERTS. He keeps his assays down so that he is on the safe side. Before the close of the year he knows whether he is ahead or behind.

THE CHAIRMAN. Suppose the assayer at the assay office holds it down too low?

MR. ROBERTS. Then the depositor loses and the Government is ahead.

"THE CHAIRMAN. There would be no way for the depositor to get back the amount of the difference?

MR. ROBERTS. No, sir; he is paid for his bullion, accepts it, and has no knowledge of any subsequent assays.

THE CHAIRMAN. That closes the transaction between him and the assayer?

MR. ROBERTS. Yes, sir.

MR. LOBECK. The particular object of the assayer at the local assay office is to see that he does not get short in his accounts. He does not want to take advantage of the producer, and all that he desires is to avoid being short in his account?

MR. ROBERTS. That is all, and the differences are very slight."

Prior to 1912 the Melter and Refiner was a Presidential appointee independent of the Superintendent and of the Assayer and as a constitutional officer he was the insurer of the values in his custody. Under these circumstances it might be argued that he was entitled to greater protection than the present superintendents of Melting and Refining who are civil service employees bonded only for the faithful discharge of their duties.

Such thinking would represent a misconception of the purpose of the allowances. These allowances were for the protection of the Government, not of an individual officer. The safeguarding of the Government against overpayment, exercised in the Assayer's department and in the after melting weighing in the Deposit Melting Room, is as essential now as it was then. There was no intention, at the time the change in the status of the Melter and Refiner was made, to eliminate any of the checks and balances. The same Director, George E. Roberts, quoted before on the subject of the small assay offices, in the same hearings on the same date informed the same committee that he would like to see the presidential appointment of of the Melter and Refiner and of the Coiner eliminated and would like to have these people appointed by the Superintendent. He felt that these officials were more independent of the Superintendent than they would be if appointed by him and that consequently the organization was not as effective. He stated that the original necessity for the different departments was that they were dealing with great values and that such an organization would make it more secure in that one would be a check against the other. He stated that he would not disturb the checks at all, but wished only to increase the efficiency of the mints. No change in the Assayer's status was suggested, as that officer must approve all payments for bullion by

the Superintendent and it was thought wise to leave that check.

In testifying before the sub-committee of the House Committee on Appropriations on January 30, 1912 regarding the provision which abolished the positions and substituted superintendents of the departments, A. Piatt Andrew, Assistant Secretary of the Treasury (who had been a Director of the Mint) stated that the administration of the Mint had been more or less unsatisfactory because the Superintendent of the Mint had only nominally been in charge of the institution since the Assayer, the Melter and Refiner and the Coiner were coordinate officials. He stated that this had been a source of friction and of maladministration and involved a division of responsibility, which they wanted to get rid of. In testifying before the committee Mr. Andrew said in regard to New York: "We propose there a superintendant of melting and refining in place of the melter and refiner, with a salary of $3,000. I do not feel that that is at all excessive, as the position requires a thorough expert knowledge. We have, as you know, adopted in all of our mints an electrolytic method of refining, which requires scientific, technical knowledge. It is a position also of great responsibility, as that is the one part of the service where it is difficult to safeguard the gold".

Although the Director of the Mint had recommended that the superintendents of the operative departments be appointed by the superintendent of each institution, the Treasury Department did not agree, and the provision submitted by the Secretary was that they and all other assistants and employees be appointed by the Secretary, "upon the nomination of the principal officer in charge of said Mints and Assay Offices, and the recommendations of the Director of the Mint." The appropriation committee eliminated the quoted phrase and left the appointments with the Secretary.

With the new status of the heads of the operative departments, the Assayer remained the only check upon the Superintendent in making payment for deposits. The Superintendent of the Melting and Refining Department could require a re-assay on anything that he considered to be overvalued. The judgment of the Assayer, in determining that overpayment was not made to the depositor, superseded the prior formal allowances for deductions.

The provisions of the Act of 1873 have not been changed in any other particular here pertinent, and are still the statutory provisions under which the Mint operates.

In conclusion it is submitted that the laws intended to and do provide that the necessary wastage of precious metal incurred in refining a deposit be borne by the depositor at the time of and in connection with the evaluations of the deposit for payment. The Assayer must exercise

judgment in evaluating determinations made on deposit samples prior to establishing the assay figure to be reported as the basis for payment, so as to insure that no refining loss shall subsequently be borne by the government. In other words, the Assayer shall not report more gold or silver than can be recovered in the form of fine or coin bars; to do so would result in overpayment to the depositor and loss to the government.

The basic responsibility rests upon the Superintendent and the Assayer of the institution. To paraphrase the words of Director Roberts, "The particular object of the head of the institution is to see that the Government does not get short in its accounts. He does not want to take advantage of the producer, and all that he desires is to avoid being short in his accounts."

SEPTEMBER 24, 1958

DIRECTOR OF THE MINT
WASHINGTON, D. C.

WOULD GREATLY APPRECIATE YOUR HAVING NEW YORK ASSAY OFFICE SEND US IMMEDIATELY
OF BOXES OR MORE NA FILES FROM BULLION OF VARIOUS CLASSIFICATIONS TOGETHER
WITH LIST OF OFFICIAL ASSAYS AT WHICH BULLION IS CREDITED OR BOXED. THIS WILL
ENABLE US TO LEARN THE ALLOWANCE BY WHICH NEW YORK IS REDUCING THE ASSAY TO
DEPOSITORS. IN VIEW OF FACT THAT NEW YORK CREDITS OF DENVER SAMPLES CONFIRMED
OUR OFFICIAL BASIC ASSAY, WE FEEL WE ARE ENTITLED TO THIS ADDITIONAL INFORMA-
TION.

ALEX K. ROBERTSON
SUPERINTENDENT
U. S. MINT
DENVER, COLORADO

ENDORSED BY Helen
FILE - Litt
TELEPHONE 12-22-2

List of irregularities

Miller

Revenues
Copper pit lids
(Modern)

1. Grains =
   Responsibility
   Reporting
2. metallics on sweeps.
3. When began to doubt assays
   Warren & Paint
4. Steps taken earlier

Pre-Assay Denver or S.F.
any other measures before
refinery loss or after
New Admin Settlement

Pulling truck
Joe Smith on sweeps
Joint Control over silver
Resentment toward Guard Force

5. Irregularities during Refinery Run
6. First Report to Supt Schneider
7. Mrs Schneider denied something?
   (me)

Tate = Break Off in Relations

1. Frank & Open Discussion
2. Agreements:
   - Suggestions invited
   - Suspend Policy (Keiser sympathetic)
   - Interpret policy
   - Info. on D's &
   - Second Assay acceptance
   - Samples from N.Y.
   - Statement as to Whether & How N.Y. "Adjustments" Assay to D's
3. Have You Reported everything?
   - Unanimity of Denver
     1. never expressed at Denver
     2. never necessary
     3. Doubt others followed it.
4. Method of delivery of D/M wire
5. Plenty of time permitted by wire
6. Changed to a "fishing expedition"

General

Admit largest loss

Permit Miller to process further?

Anxious
Prove Case
Careless

Neisser

Follow up on Boley
statement that Kelly
running in danger
in 1953
Very sure of statement?
What did Bureau do.
Report to Denver?
Look at S.F. to straighten out.

Conference in 1954
Letter of 1954 re everything
O.K.?
Where is report?
Anything Bureau has done
to make deposit rep
clear as to assays
When learn about assayers
discretion?
Did Rowe practice it?
Compare determinations & report
Compare pans at N.Y.? with theirs?
Compare them at S.F.

Nessen

Accept 11 reasons

Why Miller & Denver?

1. Evekin Sr & R?
2. Evex refine?
3.

Miller

Schiecke "influenced" Howard

Clashes with others:

Merrill Smith

Gray

Mc Laughlin

La Follette -

Jamieson -

[redacted]

Price

Parker

Phelps

Allowances at N.O. for refinery loss?

How decide allowance?

Write Denver to find out?

How soon make allowances personally

made on 2 determinations.

Suppose others doing at Studylaw.

Arrival at Denver!

Same system here?

Assaying

Weighing

Checks made to see why not.

Holdbacks of material (Kitty?)

Tate

Supt. decide whether protected since insuror

Supt decide whether supervision O.K.

Some for Handling material

TREASURY DEPARTMENT

WASHINGTON 25

OFFICE OF
DIRECTOR OF THE MINT

September 25, 1958

Superintendent,
United States Mint,
Denver 2, Colorado.

Dear Madam:

This is in reference to your telegram of September 24th relative to assay samples, and to your letter of September 23rd relative to the report prepared by members of my staff.

In your letter of September 23rd you state that the matter of the "refinery failure" in 1955 has become the subject of very controversial correspondence and that you do not wish to heighten the controversy. After making this statement you proceed to state your position which, in my opinion, could not have been more controversial.

I will discuss the telegram first, sentence by sentence. The first sentence asks for samples from New York. These will be forwarded to you as early as possible so that your assay department can use them as guide lines. The next sentence in your telegram indicates that New York is reducing the assays to depositors. This is not a true statement of fact. An assay has not been completed until the final figure has been reported, prior to which the assayer has used his judgment in evaluating the determinations made on the samples of the deposit. This sentence implies that the New York Assay Office is taking something from the depositor. This is not true. The New York Assay Office is doing what it is supposed to do and that is, protect the Government. If New York were to pay the depositor for more gold than is recoverable to the Government then the New York Assay Office would be violating the law by paying more than $35 an ounce for gold. Also, if assets were to be carried at more than the recoverable value there would be a mis-statement of the Government's monetary assets. The last sentence of your telegram indicates that we would not give you something and, therefore, you put up an argument that you are entitled to it. We are not holding back any information from you. We are very anxious to have this problem resolved.

Now to answer your letter: you state your position by dividing it into two parts, namely (1) and (2).

In connection with your point 1, we do not have enough information in this office to permit us to project a difference on the basis of the

New York versus Denver experience. The 35 melts involved contained different types of gold but the overall difference was 76.029 fine ounces of gold. This was on a finding by Denver of 136,456.735 and by New York of 136,380.706 fine ounces. I am certain that if you take the Denver deposits that were run through the Denver refinery in 1955 together with other materials assayed by Denver you would find that the difference was more than the "fraction of the gold loss during that run." When the committee arrives in Denver they will be glad to check this point with you when the information is available to them. We do not want to make statements without having full information.

You refer in your letter to controversial correspondence. This seems to develop because it is necessary for us to answer inaccurate statements that you put forward in writing. There is nothing controversial about this -- you make a bad statement not based on fact and we correct it by making a statement based on fact. The way to stop the controversy is for you to stop making offhand non-factual statements.

You will no doubt think that there is a controversy over your next statement, which you list as (2). Again, you have made a statement not based on fact. In the first place, I have had a legal check made which has taken approximately four months to make, in which all the legal background has been reviewed by a competent lawyer. As to the scientific background, as Director of the Mint, I not only have available the scientific people in your institution but also in the Bureau and the other Mint institutions, active and retired, and I believe that on this point I am better informed than you are. As to the logical arguments in this case, I can not understand why anyone would claim that it is logical for the Government to lose money on gold by overpaying depositors, especially when the price of gold is fixed by law. Now as to the ethical grounds, I am shocked that you would indicate that something unethical is being done. I have never entertained the opinion or stated that what was being done in any institution in connection with payments to depositors was unethical. There may be a difference of opinion but certainly ethics are not involved.

In the last paragraph of your letter you state that you should be glad to submit any further statement of your views that we would care to have. I am sending the committee to your institution in order to get your views, and I think it would be wise for you to submit them in writing. Only one request I make and that is, please base your statements on fact -- not on careless thinking. When you write a letter to me I assure you that careful analysis and research are done for the background material that goes into the answer, and if you make statements not based on fact the answer is going to point up your error. I believe this is where the controversy you speak of develops.

Very truly yours,

Director of the Mint.

OFFICE OF
DIRECTOR OF THE MINT
IN REPLYING GIVE INITIALS

TREASURY DEPARTMENT
WASHINGTON 25

September 23, 1958

RECEIVED
SEP 25 19[illegible]
OFFICE OF
SUPERINTENDENT
MINT AT DENVER

Superintendent,
United States Mint,
Denver 2, Colorado.

Dear Madam:

Enclosed is a copy of my letter to the Assayer setting forth the requirements that should be observed in connection with the receiving and weighing of gold and silver deposits.

Very truly yours,

Director of the Mint.

Enc.

Memoranda. 6/57 – 12/58 [folder 1 of 2]